## BAY COUNTY RETIREMENT BOARD OF TRUSTEES AGENDA

#### TUESDAY, NOVEMBER 15, 2016 @ 1:30 P.M.

#### COMMISSIONERS CHAMBERS 515 CENTER AVENUE - 4<sup>TH</sup> FLOOR BAY CITY, MI 48708

	PAGE	I.	CALL TO	ORDEF	₹						
		II.	ROLL	CALL							
		III.	MINU	MINUTES							
1 - 18			A. B.			2015 – REGULAR MEETING 2016 - SPECIAL MEETING					
		IV.	PUBLI	PUBLIC INPUT							
		V.	PETITI	ONS & O	COMMU	NICATIONS					
			A.		AHN 3Q BROWN	REPORT – HOWARD POHL &					
19 - 20			B.	MON	ΓHLY RE	EPORTS – <b>RES NO: 2016-47</b>					
				1.	PORTF	OLIO VALUE - 1/1/16 - 10/31/16					
				2.	CHANG	GE IN BOOK AND MARKET VALUE – 9/3					
				3.	MONE' <b>DATE</b> )	Y MANAGERS ON WATCH - (EFFECTIVE					
					a.	NONE					
				4.	MONE	Y MANAGER REPORTS					
					a. b.	BAIRD – ENDING 9/30/16 BARINGS (CORNERSTONE) – ENDING 9/30/16 COLUMBIA – ENDING 3 <sup>RD</sup> Q REPORT					
					c.	9/30/16 Q REPORT					
					d.	EAGLE ASSET MGMT - ENDING 9/30/16					
21 - 99					e. f.	HENDERSON GENEVA – ENDING 9/30/16 HOTCHKIS & WILEY – ENDING 9/30/16; PROXY VOTING REPORT 3Q					
					g. h. i.	INTEGRITY – ENDING 9/30/16 3Q REPORT LOOMIS SAYLES – ENDING 9/30/16 MACKAY SHIELDS – ENDING 9/30/16					
					j.	MFS INVESTMENT – ENDING 9/30/16;					
					,	PROXY VOTING REPORT 9/30/16					
					k. 1.	MFS HERITAGE TRUST - ENDING 9/30/16 PGIM PRISA ACCT – ENDING 9/30/16					
					m.	SCHRODER – ENDING 9/30/16; 3Q REPORT					
				5.	RECAP	TURE SERVICES					
100- 103					a.	ABEL/NOSER - SUMMARY ENDING 9/30/16					
					b.	CAPIS - SUMMARY ENDING 9/30/16					

## BAY COUNTY RETIREMENT BOARD OF TRUSTEES AGENDA

#### TUESDAY, NOVEMBER 15, 2016 @ 1:30 P.M.

#### COMMISSIONERS CHAMBERS 515 CENTER AVENUE - 4<sup>TH</sup> FLOOR BAY CITY, MI 48708

104 - 108			6.	NORTH	HERN TRUST
				a.	SUMMARY EARNINGS - ENDING 9/30/16
109			7.	REFUN	DS/RETIREMENTS ENDING 10/31/16
110 - 113			8.	BCERS	YTD BUDGET REPORT – ENDING 10/31/16
114			9.	INVOI	CES APPROVED – 10/31/16
115 – 116		C.	APPRO	VAL 201	17 SPEAKER SCHEDULE RES NO 2016 –48
117		D.	PART 2 DISCIP	A BROC LINARY	ENCE – BAIRD UPDATE TO FORM ADV CHURE REGARDING TWO NEW MATTERS. RECEIVE)
118 - 123		E.	REGAR	DING E	ENCE – PGIM & LOOMIS SAYLES LECTION RESULTS MOTION TO RECEIVE)
124		F.			ENCE NORTHERN TRUST – REBALANCE. RECEIVE)
125 – 130		G.		ILITY RI <b>D: 2016</b> -	ETIREMENT PROCEDURE UPDATE – 49
131–132		H.	RFQ CU	JSTODIA	AN BANK – <b>RES NO – 2016-51</b>
133 – 136		I.	APPRO	VAL OF	EXPERIENCE STUDY – <b>RES NO – 2016-50</b>
137 – 139		J.	MS. K	RISTAL	ION FOR BOARD TRUSTEES: GONZALES - <b>RES NO. 2016-53</b> W PETT - <b>RES NO. 2016-54</b>
140 – 141		L.	CHANC	GE OF EI	LECTION VOTING HOURS – RES NO 2016-52
	VI.	ANNOU	JNCEME	ENTS	
		A.	P.M., C	OMMISS	AR MEETING – DECEMBER 13, 2016 AT 1:30 SIONERS CHAMBERS, 515 CENTER AVENUE Y CITY, MI 48708
	VII.	UNFIN	ISHED B	USINES	S
	VIII.	NEW B	USINES	S	
	IX.	MISCE	LLANEC	OUS BUS	SINESS
	X	ADIOU	RNMEN	Т	

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NOTE: In addition to these typed minutes, this board meeting was also recorded. These audio files are available for review in the Retirement Office

A meeting of the Board of Trustees was held on October 11, 2016 at 1:30 p.m. in the Commission Chambers, 4th Floor, Bay County Building, 515 Center Avenue, Bay City, Michigan. Roll call taken.

**Trustees Present**: Chairperson Gray, Mr. Brzezinski, Mr. Coonan, Ms. Gonzales, Mr. Gromaski, Mr. Krygier Mr. Morse, Mr. Pett, and Mr. Starkweather.

Trustees Absent: None.

#### Also Present:

Consultant: The Bogdahn Group: Howard Pohl and Peter Brown.

Secretary: Jan Histed

Retirement Administrator: Katie Meeth Corporation Counsel: Shawna Walraven

The meeting was called to order by Chairman, Steve Gray at 1:30 p.m.

MOTION 80:

Moved, supported and carried to approve the minutes, as printed, from the

September 13, 2016 regular meeting.

Mr. Gray called for public input. There was no public input and he moved onto petitions and communications.

Present today were Jim Anderson and Shana Neeson, from Gabriel Roeder Smith & Company, to present the December 31, 2015 Actuarial Valuation. A copy was provided to all Trustees, in advance, via the web.

Mr. Anderson reviewed the life expectancy table, the increasing life expectancies and future funding. He discussed the Mortality Improvement Study and stated that there will be a new Experience Study next year with new results for the Mortality Improvement Study. He explained with the new Experience Study they will try to get a set of assumptions so that they are not over or under financing benefits going forward.

The Investment return assumptions of public pensions are at 7.5% which is where Bay County is. The base inflation assumption has come down to 2.75%. They expect to look at this in the next Experience Study. A Trustee asked if it was time to shift that assumption and Mr. Anderson responded that it is still okay.

Trustee asked when they evaluate this, what kind of time frame they used. Mr. Anderson stated that their model goes out to 15 to 20 or even 30 years in terms of where the expectations will be. This gives an idea of how things are going in regards to assumptions.

He explained the actuarial valuation process using demographics, benefits, the plan provisions, and actuarial assumptions. The present value of future benefit payable to all current members of the Bay County Employees' Retirement System is \$321 million for all divisions combined. There is \$166 million for

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liability to the current retirees. The crude liability for active employees, which are the future retirees based on service dates already rendered, is \$112 million. The amount for active employees, which are future retirees that will earn service in the future but has not yet been rendered, is \$43 million. Mr. Anderson explained how they break up the benefits between present value of future benefits, actuarial liability, normal costs, and future normal costs.

Ms. Neeson went over highlights of the valuation. This year, for the first time, there were two separate valuation reports one for Bay-Arenac Behavioral Health "BABH" and then one for all the other groups. This is the first year this was done based on the county provided legal opinion that the Retirement System is an agent multiple employer with the two separate employers – one being BABH and one being all the other entities. Those were produced in two separate valuation reports this year.

Total membership of active, retired, and terminated vested was 2,156 members in all of the groups compared to 2014 when there were 2,165. In 2014, the grand total of payroll was \$46.5 million and for 2015 it was \$47 million.

She went over the contribution rates from 2014 valuation to 2015 valuation. General and the Sheriff's Department both last year and this year have no contribution requirements because they are both over funded. Department of Water and Sewer, the Medical Care Facility both have slight decreases in their contribution requirements along with BABH. There was a slight increase for the Library and the Road Commission group. Overall, the plans had favorable investment experience.

As a general comment, most of the groups have a loss on payroll except for the Medical Care Facility. She clarified for the trustees that this was not a pay increase for the Medical Care Facility. Ms. Neeson stated that when she said the Medical Care Facility had a pay gain that means the actual pay for those members was lower than expectation.

Additional highlights were that there were no changes in assumptions or methods for the 2015 valuation. The only real difference was splitting it into two different reports. There was a correction to multiplier for Road Patrol Supervisory Unit of the Sheriff's Department for members hired before 1/1/2012.

The aggregate experience for the plan during 2015 was favorable with overall gains. All groups without BABH in total there was a gain for all other groups of about \$2.2 million and for BABH it was \$400,000. There were also demographic gains of \$2.9 million at the General County and \$35,000 for BABH. Even though they talked about pay losses, there were other gains due to other things that helped offset those losses.

Overall experience was favorable due to actual retiree deaths and termination experience relative to expectations. The Library and Road Commission had some offsetting losses for pay where the actual was greater than expected. The Library also had a couple of new retirements. It is a very small group and they had a couple of retirements that had more service than their projection based on data they had received in the past so there was a loss for new members.

Anticipated future benefits payments for retirees from individual units compared to reserves shows all the reserves are a little shy for being the equivalent to the liability for the present value of benefits. She asked

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for a motion to approve the transfer from reserves. This is just an accounting number.

MOTION 81: Moved, supported and carried to approve the Actuary's recommendation to transfer (\$7,804,932 for all other groups and \$857,940 for BABH) the difference between the accrued liability and reported reserve from the retirement system employer reserve to the retiree reserve effective 1/1/2016 to fully fund the retiree accrued liability.

In general, contribution rates should trend towards the long-term cost of the normal cost of the benefits over time. All divisions have required contributions this year except for the General County and the Sheriff's Department. Ms. Neeson believes the Medical Care Facility's and the Library's contributions are less than normal cost as they are both over funded. Some of that over funding is helping to offset the normal cost portion of the benefit.

She went over the funded ratios of each of the groups.

Ms. Neeson gave an overview of asset smoothing to help reduce the volatility of the employer contributions as well as the phase-in of past market gains of \$6.8 million and \$4.7 million for 2016 and 2017 valuations respectively and phase-in of deferred losses of \$3.0 and \$3.7 million thereafter.

Over time, the Retirement System is going to continue to mature. There will be more retirees than active members and this is very normal for a pre-funded retirement system.

Trustee just wanted to clarify they will still do the 5-year smoothing and run things the way they are just adding more reports for the GASB requirements and that there is no need to change how they are approaching this. Mr. Anderson stated the funding continues, the calculations, the smoothing, the development of assets, the liabilities et cetera for funding purposes are unchanged by the GASB.

MOTION 82: Moved, supported and carried to receive the December 31, 2015 Actuarial Valuation report from GRS.

Chairman Gray explained they would change the order of the meeting as Vice Chairman Brzezinski had to leave the meeting early today.

Next was the Duty Disability Retirement Appeal for Mr. Charbonneau

Ms. Walraven gave an overview for the Board. Mr. Charbonneau appealed the denial of his duty disability retirement. The County's Medical Director reviewed his request. There are three criteria that must be met in order to be duty disabled and they are: 1) Incapacity for continued employment in the same or substantially similar position, 2) The incapacity is likely to be permanent, and 3) The employee should be retired. Our Medical Director did not find these things to all be present and neither did his own doctor. Mr. Charbonneau has submitted additional materials that the Board should have in front of them. Ms. Walraven pointed out page 4 there is a note that Mr. Charbonneau has pointed to that Ms. Walraven read to the Board. "Therefore, it is the opinion that you need to change your job from the current position of corrections officer to one that may not require heavy lifting, potential takedowns of inmates or repetitive reaching and overhead use of the left arm. I anticipate he will not be able to return to the capacity of a corrections officer

## <u>MINUTES</u> BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM BOARD OF TRUSTEES (**BCERS**) OCTOBER 11, 2016 -- **REGULAR MEETING**

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permanently." Ms. Walraven stated she does not find this note rises to the level and the language that the doctor "anticipates" does not mean the doctor has reached a conclusion and anticipates this may happen in the future but is not yet the case. Also it requires that they are incapacitated for continued employment in that same position. It does not also appear that this physician has reviewed all of the work that Mr. Charbonneau has done or would do, but does, obviously, note some of the more difficult tasks he will not be able to perform. Mr. Charbonneau is appealing his denial and Ms. Walraven stated the question before this Board is whether this Board wants to affirm that denial or overrule that denial.

Trustee Pett asked if the report they were looking at under the appeal process was a third party that was agreed upon. Ms. Walraven stated he was asked to submit more information and this report is the opinion of his family physician. He chose the appeal process which is the oral hearing. He also had available to him the third party physician agreed upon and binding on this Board. That is still an option for this Board if this Board would like to pursue the third party physician.

Trustee commented in order to pursue the third party physician option the first two physicians would have to disagree and the first two physicians agreed that at that time they did not think the disability was permanent. Ms. Walraven clarified that the first two doctors did agree and Mr. Charbonneau's argument is that this third doctor, his doctor, is disagreeing with our Medical Director. Trustee also clarified that in this recent report the physician anticipates he will be permanently disabled, not that he is.

Trustees discussed issues related to his injury as well as worker's compensation and the employer's responsibilities. They also discussed the Retirement Ordinance as it relates to the issue of Duty Disability Retirement.

Trustee Brzezinski stated they would all like to help this gentleman, but as Ms. Walraven said, we are the Retirement Board and we grant permanent disability for people who are qualified. It is not this body who can help him.

They discussed the choices the Board could make. A motion was made to deny the appeal of Mr. Charbonneau for Duty Disability Retirement.

MOTION 83: Moved, su

Moved, supported and carried to deny the appeal for permanent disability for Mr. Charbonneau.

#### **ROLL CALL VOTE:**

BRZEZINSKI: YES COONAN: YES GONZALES: YES **GRAY:** YES GROMASKI: YES YES KRYGIER: MORSE: YES PETT: YES STARKWEATHER: YES

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#### MOTION CARRIES.

Next on the agenda was the Non-Disability Retirement for Mr. Greg Courier which requires closed session.

MOTION 84:

Moved, supported and carried to go into closed session pursuant to MCLA 15.268, Sec. 8 (h) to consider material exempt from discussion or disclosure by state or federal statute

#### **ROLL CALL VOTE:**

BRZEZINSKI: YES COONAN: YES YES GONZALES: GRAY: YES YES GROMASKI: KRYGIER: YES MORSE: YES PETT: YES STARKWEATHER: YES

**MOTION 85:** Moved, supported and carried to return to open session.

RES NO: 2016-44:

Moved, supported and carried to approve the Non-duty Disability retirement for Mr. Gregory Courier.

#### **RESOLUTION 2016-43**

Moved, supported and carried to approve Resolution No 2016-43 to receive the following monthly reports: PORTFOLIO VALUE - 1/1/16 - 09/30/16 (Today's value is \$ 309,943,000), Change in Book & Market Value - 8/31/16, Money Manager Reports - Baird - Ending 8/31/16, Barings (Cornerstone) - Ending 8/31/16, Eagle Asset Management - Ending 8/31/16, Henderson Geneva - Ending 8/31/16, Hotchkis & Wiley - Ending 8/31/16, Loomis Sayles Ending 8/31/16, MFS ending 8/31/16, MFS Heritage Trust - Ending 8/31/16, Mackay Shields - Ending 8/31/16, Schroders - Ending 8/31/16; RECAPTURE SERVICES: ABEL/NOSER - Summary Ending 8/31/16, CAPIS - Summary Ending 8/31/16; Northern Trust Summary Earnings - 8/31/16; Refunds & Retirement-Ending 9/30/16, BCERS YTD Budget Report - Ending 9/30/16, and Invoices Approved - 9/30/16.

Trustee asked about the Barings and Cornerstone name. Mr. Pohl of The Bogdahn Group stated Cornerstone is consolidating with Barings and branding under the name Barings. Trustee questioned the \$10,000 balance under Barings name on the Portfolio Value report. Mr. Pohl stated Northern Trust is trying to reclaim certain taxes that were paid prior to Barings being dropped last year and they are still in the process of collecting them. The amount will show up on the Portfolio Value until the taxes are reclaimed.

Trustee Brzezinski departed the meeting at 2:45 p.m.

MOTION 86: Moved supported and carried to excuse Trustee Brzezinski.

#### **RESOLUTION 2016-45:**

Moved, supported and carried to approve resolution 2016-45 approving the Election Calendar conforming to the election rules.

**MOTION 87:** Moved, supported and carried to receive the correspondence from PGIM regarding operating cash load distribution.

#### **RESOLUTION 2016-39:**

Moved, supported and carried to approve resolution 2016-39 approving the 2017 proposed budget.

#### **ANNOUNCEMENTS:**

- A. There will be a special money manager meeting on October 20, 2016 beginning at 8:30 a.m. in Commissioner's Chambers, 515 Center Avenue 4<sup>th</sup> Floor, Bay City, MI 48708.
- B. Next regularly scheduled meeting will be Tuesday, November 15, 2016 at 1:30 P.M. in Commissioner's Chambers, 515 Center Avenue 4<sup>th</sup> Floor, Bay City, MI 48708.

#### UNFINISHED BUSINESS: None.

#### **NEW BUSINESS:**

Mr. Pohl informed the Board that Henderson Geneva has entered into an agreement to merge with Janus. This gives them a much bigger availability into U.S Markets. Bogdahn does not have any concerns at this time. Geneva will remain independent. The merge is supposed to close in the first quarter of next year. He stated Henderson and Geneva have products that may be similar to Janus so Bogdahn wants to make sure they don't combine products and cut staff and have different people etc. Mr. Brown stated Henderson Geneva will be in next week to talk about it.

#### **MISCELLANEOUS BUSINESS** None

? shisted.

#### ADJOURNMENT:

**MOTION 88:** Moved, supported and carried to adjourn the meeting at 2:49 p.m.

Respectfully submitted.

Secretary

Transcribed by: Tracy Cederquist

# MEETING OF THE **BCERS** BOARD OF TRUSTEES COMMITTEE OCTOBER 11, 2016

IN THE BOARD OF COMMISSIONER'S CHAMBERS, LOCATED AT 515 CENTER AVENUE,  $4^{\rm TH}$  FLOOR, BAY CITY, MI 48708

MEETING CALLED TO ORDER BY: CHAIRPERSON STEVE GRAY AT 1:30 P.M.

#### **MOTIONS**

TRUSTEE	80	81	82	83	84	85	86	87	88
BRZEZINSKI	Υ	M-Y	Υ	M-Y	Υ	Υ	E	E	E
COONAN	M-Y	Υ	Υ	Υ	Υ	Υ	Υ	Y	Υ
GONZALES	Υ	Υ	Y	Υ	Υ	Υ	Υ	S-Y	S-Y
GRAY	Υ	Υ	Υ	Υ	Υ	Υ	Υ	Υ	Υ
GROMASKI	Υ	Y	Υ	Υ	Υ	Υ	Υ	Υ	Υ
KRYGIER	S-Y	Υ	M-Y	Υ	M-Y	M-Y	M-Y	M-Y	M-Y
MORSE	Υ	S-Y	Υ	Υ	S-Y	Υ	S-Y	Υ	Υ
PETT	Υ	Υ	S-Y	S-Y	Y	S-Y	Υ	Υ	Υ
STARKWEATHER	Υ	Υ	Υ	Υ	Υ	Υ	Υ	Υ	Υ

# MEETING OF THE **BCERS** BOARD OF TRUSTEES COMMITTEE OCTOBER 11, 2016

IN THE BOARD OF COMMISSIONER'S CHAMBERS, LOCATED AT 515 CENTER AVENUE,  $\mathbf{4}^{\text{TH}}$  FLOOR, BAY CITY, MI 48708

MEETING CALLED TO ORDER BY: CHAIRPERSON STEVE GRAY 1:30P.M.

#### **RESOLUTIONS**

TRUSTEE	2016-44	2016-43	2016-45	2016-39			
BRZEZINSKI	Y	Y	Ε	E			
COONAN	Y	Υ	Υ	M-Y			 
GONZALES	Y	Υ	Υ	Y			
GRAY	Y	Υ	Υ	Y			
GROMASKI	M-Y	S-Y	Y	Υ			
KRYGIER	S-Y	M-Y	S-Y	S-Y			
MORSE	Y	Y	Y	Y			
PETT	Y	Υ	M-Y	Y			
STARKWEATHER	Y	Y	Y	Y			

CODE: M - MOVED; S - SUPPORTED; Y-YEA; N-NAY; A-ABSENT; E-EXCUSED

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NOTE: In addition to these typed minutes, this board meeting was also recorded. These audio files are available for review in the Retirement Office

A meeting of the Board of Trustees was held on October 20, 2016 at 8:30 a.m. in the Commission Chambers, 4th Floor, Bay County Building, 515 Center Avenue, Bay City, Michigan. Roll call taken.

**Trustees Present**: Chairperson Gray, Mr. Brzezinski, Ms. Gonzales, Mr. Gromaski, Mr. Krygier Mr. Morse, Mr. Pett, and Mr. Starkweather.

Trustees Absent: Trustee Coonan and Trustee Gromaski

#### Also Present:

Consultant: The Bogdahn Group: Howard Pohl and Peter Brown.

Secretary: Jan Histed

Retirement Administrator: Katie Meeth Corporation Counsel: Shawna Walraven

The meeting was called to order by Chairman, Steve Gray at 8:37 a.m.

MOTION 89: Moved, supported and carried to excuse trustees Coonan and Gromaski.

Mr. Gray called for public input. There was no public input and he moved onto petitions and communications.

Present today is Kevin Ryan, Senior Director and Mr. William Gustafson, Portfolio Manager from Barings (formerly Cornerstone), our REIT manager, to present the performance report. A copy was provided to all Trustees, in advance, via the web.

Mr. Ryan gave a history of Barings (Cornerstone). They have been managing for Bay County since 2008. The initial contribution was \$4 million. Total contributions of \$5.3 million and total withdrawals of \$8 million. Account value as of September 30, 2016 was \$7.0 million. Annualized total return since inception of 15.6% net of fees versus the index of 14.4%. In March of this year, Cornerstone's parent company, Mass Mutual, announced the intention to merge its institutional businesses one of which is Cornerstone and the others are Barings, Babson, and Wood Creek under one brand, which became Barings. In mid-September, Cornerstone rebranded to Barings Real Estate Advisors. The purpose of the brand was to bring the entities together to find synergies mostly in the business development area in Europe and Asia. Nothing has changed in terms of the investing capabilities. They simply rebranded under one entity. No change to the team for Bay County. Barings Real Estate is a four quadrant investor being able to invest in public and private equity and public and private debt. This allows them to do a better job picking stocks and building portfolios.

There have been no subtractions to the team and there has been one addition since last year. William Kuo, CFA was added to the team. He is an equity research analyst.

Mr. Gustafson commented on the outlook and despite recent market trends and rising interest rates, they feel REITS should deliver competitive performance going forward given today's slow growth environment.

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Overall U.S REITS have provided competitive performance versus the equity market. REITS on a trailing one year have delivered approximately 19.8% total return as of the end of the third quarter. That has been driven by outperformance in the net lease sector, the industrial sector and data center sectors. The underperforming sectors are the apartment sector, hotel sector and self-storage sector. In the long run, REITS are still highly correlated to the underlying real estate market. Based on historical correlations, the REIT market gets to about 60% correlation on an intermediate all bases.

Trustee commented on the job growth and the 2% growth and asked how that is impacted by office space and retail as retail is getting hammered by the internet and asked how they adjusted for that. Mr. Gustafson stated they account for that in portfolio construction. REITS tend to own the best quality real estate in the market. Sometimes densification causes people to be able to afford better space. It has benefitted the REIT market in higher quality real estate demand. In retail, the migration towards the internet has benefitted in a couple of different property sectors. They have actually constructed a portfolio to basically outperform because of the migration into e-commerce.

He explained the portfolio construction. They strive to put together an actively managed portfolio and measure that through active share. They currently have 57 active shares.

He went over sectors overweight and underweight. They are overweight in shopping centers. They are underweight in self-storage as well as in diversified space. Diversified is generally office, some retail and net lease.

A quick overview of the portfolio characteristics. Active share in the portfolio is over 50%. The dividend yield is about 50 basis points below the REIT average.

In regards to portfolio performance, they have beaten the benchmark on the 5-year and trailing 3-year. The one-year and year-to-date are down and they feel that the trailing one year in particular was driven by significant outperformance of net lease. They did not anticipate the degree the interest rates moved and that caused them to miss some of that.

They answered questions of the Board and departed the meeting.

**MOTION 90:** Moved, supported and carried to receive the report from Barings.

There was a 5 minute break. The meeting resumed at 9:26 a.m.

The next to present was Todd Needham, Vice President and Portfolio Manager from Loomis Sayles to present the performance report. A copy was provided to all Trustees, in advance, via the web.

Mr. Needham stated not much has changed at Loomis Sayles. The only thing he noted was that at the end of the 3<sup>rd</sup> quarter, assets under management did reach \$245 billion from the \$240 billion at the end of June of this year. There have been no changes to the team. He went over the guidelines and talked about duration. Duration is generally the measure of sensitivity to changes in interest rates. As interest rates rise, bond values fall. As interest rates fall, bond values rise. Loomis Sayles, by the guidelines, need to stay within +/- 1 year of the index. Mr. Pohl asked if they were suggesting going to a shorter duration. Mr. Needham stated they are happy with where they are neutral and relative to the index. They are not making a recommendation right now. They are very comfortable where they are positioned right now. He did state

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that if at some point in time in the future there was a concern amongst the group that there is too much duration in the portfolio, they could have a conversation about maybe a shorter duration solution.

Relative to performance, year-to-date through the end of September 2016 without gross of fees portfolio gross was 10.2% versus the benchmark at 9.2%. Subtracting fees, it was just under 10% for the year which would give approximately 80 basis points of excess return relative to the index. Looking at the 1-year, 3-year, 5-year, and 10-year comparisons, there has been a reasonable amount of outperformance over all those periods.

He gave a summary of performance by sector. Industrial exposure was underweight relative to the index.

He talked about the expansion phase of the credit cycle and that it could go on for a longer period of time and they are comfortable having the amount of credit risk they do in the portfolio.

Trustee Starkweather asked how he would take advantage of increasing interest rates. Mr. Needham stated right now the yield advantage which is 0.25% is an area to act as a buffer relative to the index when rates rise. The average duration of the portfolio of 7.6 years is pretty close to neutral, slightly longer. They want to invest a little further out in the yield curve to get higher yields so investing in higher conviction names and longer out on the yield curve where they can drive more yield.

Trustee commented he is surprised they don't get more into the short term and move from 7 years down to 5 years to take advantage of capital gains that would become available. Mr. Needham stated the expectation is short-term rates will be higher. He referenced that in the maturity distribution, they have an overweight in the under 1-year portion in the 2.5% cash. In the 1-3 years they are underweight where they think there will be the most significant movement with respect to changes in interest rates. As they move longer out, they are either slightly longer or neutral relative to the index. They are overweight in the 3-5 year and 5-7 year. They are neutral at 10 years or longer. Within the context of the portfolio where they are trying to invest, they are really trying to take advantage or be overweight in an area that is going to have less interest rate impact.

He talked about the outlook. They don't think growth is going to be very strong in the long term.

Loomis is comfortable with how the portfolio is position, the guidelines and everything given what their view is on interest rates going forward.

MOTION 91:

Moved, supported and carried to receive the report from

Loomis Sayles.

There was a 5-minute recess. The meeting resumed at 10:16 a.m.

Next to present was Beth Gripper, Director and Edward Silverstein, Portfolio Manager from Mackay Shields to present the performance report. A copy was provided to all Trustees, in advance, via the web.

Ms. Gripper gave an update on the firm. Mackay currently has just under \$100 billion assets under management at \$97.1 billion. That is up from last year. Convertible strategies and assets are relatively flat. They do have two new clients that have joined since last year. There are no team changes and no real firm changes to report.

Ms. Silverstein refreshed the Board on convertible bonds. He also spoke about their company's process trying to find companies where the share price is under rallied.

He spoke about returns over the last decade per asset class. Over the last 10 years, our convertible account has gone up a little over 7% similar performance of stocks as measured by the S&P 500. Looking at the standard deviation it has delivered similar upsides to the S&P with less risk.

Performance of the Portfolio showed year-to-date the Fund is up to nearly 10%. Looking at the 3-year period, it is up to about 8% and slightly below the benchmark. He spoke about the benchmark they were using for the past particularly the 5-year was a concentrated benchmark an investment grade benchmark with several components that were 12% or 15% of the benchmark. Some of those securities did very well which benefitted the benchmark and it was very difficult to keep up with that. Most managers underperformed the benchmark during that period. Looking at the 5-year number, we have delivered close to 10% over the last 5 years. Going back since inception in 2003, that was a period that encompassed 2001 to 2003 which were very poor years for the market and 2008 was an incredibly poor year. Despite that, the benchmark has done a little bit better than 5% over that period. We have beaten our benchmark since inception by 140 basis points. The 6+% falls short of the portfolio's 8% but looking what inflation has done over the period of the last 13 years, the benchmark itself has beaten inflation annually and then the performance has done better than the benchmark.

Going forward, he believes the returns over the last 5 years, at 10%, is not sustainable when you are looking at an economy that is growing at 2% to 3% a year at best. Mr. Pohl asked what his predicted rate was. Mr. Silverstein stated long-term it probably would approach corporate profit growth which is probably closer to 5%.

Mr. Silverstein stated they are sacrificing some yield for principle protection. They have a lot less of the county's money in what are called convertible preferred securities that are riskier than convertible bonds, but they offer a higher yield. They also have a better credit quality than average. They are just a single notch below investment grade. They could get higher yield, but he doesn't believe it would be in the County's risk to chase it. You would get a better total return from principle appreciation and also protect on the downside.

Mr. Silverstein and Ms. Gripper answered questions from Trustees and departed the meeting.

MOTION 92:

Moved, supported and carried to receive the report from Mackay Shields.

A recess was taken and the meeting resumed at 10:48 a.m.

The next to present were Mr. Stephen Reynolds, North American Head of Institutional Business and Development and Michelle Picard, Portfolio Manager from Geneva Henderson to present the performance report. A copy was provided to all Trustees, in advance, via the web.

Mr. Reynolds updated the Board on the merger with Janus Capital. The target date of the merger is April 1, 2017. It is a merger of equals. Janus Capital is about \$120 to \$130 billion mostly in the U.S. Henderson Global about \$125 to \$130 billion mostly in the U.K, Europe and Australia. The ownership will be 57% to

Henderson Global and 43% will go to Janus Capital. It will be co-run by Richard Weil and Andrew Formica who will be co-CEO's. Nothing changes relating to the teams. Nothing changes with Geneva. Geneva will be independent under Janus. They answered questions relative to their non-compete clause. They have 11 people on the investment team right now working on Bay County's Portfolio. The merger with Janus will give them more access to U.S. Markets.

Henderson Genva has about \$5.4 billion in assets under management. No updates or changes as it relates to the investment professionals. The one update is Nick Bauer has decided to leave the industry December 31, 2016. He is leaving the industry for personal reasons and not going to a competitor.

She explained their investment process. She talked about market cycle performance. She gave an overview of the Fund's performance. Since inception, they have delivered an annualized return of about 10% and it still hasn't quite met what has happened in the benchmark. This is again the result of the excessive amount of monetary funds. This year, in the first quarter they lagged the benchmark. They were ahead in the second quarter. The third quarter there has been a large dispersion between performance and the benchmark. There was a shift in quality and B+ or better stocks were up 2.5%, B and worse were up 8.6%. A+ quality companies were up 0.2%. C and D rated companies were up 12.9% which is a huge dispersion from a quality standpoint.

Geneva believes that as they move through the rest of this year and into next year and as the Feds eventually raises interest rates, the move will be back towards quality and the Bay County Portfolio is positioned very well for that.

With regard to performance by sector, the fund outperformed in health care and technology was the worst performing.

Trustee Starkweather comments on the performance not being what he anticipated and asked what steps they are taking to make a difference. Ms. Picard stated Bay County has been with Geneva since 2013 and we have underperformed the benchmark over that time period. The reason is the unprecedented time period between mid-2012 and mid-2014 when low quality outperformed. They are invested in the highest quality companies. She talked about cyclicality when passive outperforms and when active comes back into favor as well as the Feds raising interest rates.

Mr. Pohl commented looking at the last 10 years through June, the median mid cap growth fund BP index for 10 years, including the 2008 time period, some of the points they raise are valid in terms of cyclicality and very importantly is the quality issue. The 3 years that ended June, they were in the top 37% but were below the index so both of those elements were going on.

Ms. Picard stated they take underperformance very seriously and they require their analysts to walk through their thesis on every single stock more frequently when they are underperforming than outperforming. They did have a good year last year.

Trustee commented on their use of recession-resistant stock and asked if that was their general approach or if they were preparing for the next recession. Ms. Picard stated it is true that when you go back to the genesis of their investment philosophy, the idea is to find great companies that have not only above average earnings growth, but that the earnings growth has been consistent over time and going forward. She stated

they don't see a recession coming, just very low growth for a longer period of time.

MOTION 93:

Moved, supported and carried to receive the report from

Henderson Geneva.

The meeting broke for lunch. The meeting resumed at 1:00 p.m.

Next on the agenda were the disability reexamination forms.

MOTION 94:

Moved, supported and carried to go into closed session pursuant to MCLA 15.268, Sec. 8 (h) to consider material exempt from discussion or

disclosure by state or federal statute.

**ROLL CALL VOTE:** 

BRZEZINSKI:

YES

COONAN:

**ABSENT** 

GONZALES:

YES

GRAY:

YES

**GROMASKI:** 

**ABSENT** 

KRYGIER:

YES

MORSE:

YES

PETT:

YES

STARKWEATHER: YES

MOTION 95:

Moved, supported and carried to return to open session.

#### **RES NO 2016-46:**

Moved, supported and carried to approve Res No 2016-46 that this Board approve the 2016 disability retirement reexaminations for the 3 members that have re-submitted their forms and have complied with the Disability Retirement Procedure.

Next on the agenda was the Retirement Service Time Appeal for Rodney Holliday. Ms. Walraven spoke to the Board regarding this. She stated there was a request from the United Steel Workers on behalf of Mr. Holliday that Ms. Walraven forwarded on to Ms. Gonzales and Mr. Starkweather to recuse themselves from voting on this based on their opinion that their ties to the Medical Care Facility and the reasonable possibility that their duties involving the Medical Care Facility may prejudice their vote on this matter. Ms. Walraven stated the standard is whether or not the trustees want to abstain because they feel that the other roles they both have would influence their decision and would not allow them to make a fair, public-minded decision as a fiduciary of this Retirement System.

Trustee Starkweather stated there were two items to think about. If he recused himself, there would not be a guorum anymore and the second is his responsibility that he signed on was to look after the interests here (for the Retirement System) and accordingly, he will not recuse himself.

Ms. Gonzales stated that she was going to recuse herself. Chairman Gray stated he and Ms. Walraven

#### MINUTES BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM BOARD OF TRUSTEES (BCERS)

OCTOBER 20, 2016 - SPECIAL MEETING

PAGE 7

talked about this a few times and Ms. Walraven believed there was enough gray area that whichever way the two of the trustees felt comfortable was fine.

Trustee Brzezinski stated if they both recused themselves there would still be 5 for a quorum.

MOTION 96:

Moved, supported and carried to go into closed session pursuant to MCLA 15.268, Sec. 8 (h) to consider material exempt from discussion or

disclosure by state or federal statute.

**ROLL CALL VOTE:** 

BRZEZINSKI:

YES

COONAN:

**ABSENT** 

GONZALEZ:

YES

GRAY:

YES

GROMASKI:

**ABSENT** 

KRYGIER:

YES

MORSE:

YES

PETT:

YES

STARKWEATHER:

YES

MOTION 97:

Moved, supported and carried to return to open session.

MOTION 98:

Moved, supported and carried to deny the retirement service time appeal for

Mr. Rodney Holliday.

**ROLL CALL VOTE:** 

BRZEZINSKI:

YES

COONAN:

ABSENT

GONZALES:

**ABSTAINED** 

GRAY:

YES

GROMASKI:

ABSENT YES

KRYGIER: MORSE:

YES

PETT: STARKWEATHER: YES YES

MOTION CARRIED: YAYS - 6, NAYS- 0, ABSTAINED -1, ABSENT -2

#### **ANNOUNCEMENTS:**

Next regularly scheduled meeting will be Tuesday, November 15, 2016 at 1:30 P.M. in Α. Commissioner's Chambers, 515 Center Avenue - 4th Floor, Bay City, MI 48708.

UNFINISHED BUSINESS: None.

**NEW BUSINESS:** None

**MISCELLANEOUS BUSINESS** None

#### ADJOURNMENT:

MOTION 99:

Moved, supported and carried to adjourn the meeting at

1:51 p.m.

Respectfully submitted,

Jan M. Histed

Jan Histed Secretary

Transcribed by: Tracy Cederquist

## MEETING OF THE **BCERS** BOARD OF TRUSTEES COMMITTEE OCTOBER 20, 2016

IN THE BOARD OF COMMISSIONER'S CHAMBERS, LOCATED AT 515 CENTER AVENUE,  $4^{\text{TH}}$  FLOOR, BAY CITY, MI 48708

MEETING CALLED TO ORDER BY: CHAIRPERSON STEVE GRAY AT 8:30 A.M.

#### **MOTIONS**

TRUSTEE	89	90	91	92	93	94	95	96	97
BRZEZINSKI	Υ	Υ	Υ	Υ	Υ	Υ	S-Y	S-Y	Υ
COONAN	Ε	E	E	Ε	E	E	Е	E	E
GONZALES	Υ	Υ	S-Y	S-Y	Υ	Υ	Υ	Υ	Υ
GRAY	Y	Υ	Y	Υ	Υ	Υ	Υ	Υ	Υ
GROMASKI	E	E	E	E	E	E	E	E	E
KRYGIER	M-Y								
MORSE	S-Y	Y	Υ	Υ	Υ	S-Y	Υ	Υ	Υ
PETT	Υ	S-Y	Υ	Υ	S-Y	Υ	Υ	Υ	Ş-Y
STARKWEATHER	Υ	Υ	Υ	Υ	Υ	Υ	Υ	Υ	Υ

TRUSTEE	98	99				
BRZEZINSKI	M-Y	Υ				
COONAN	E	E ·				
GONZALES	Υ	Υ				
GRAY	Υ	Υ				
GROMASKI	E	E				
KRYGIER	Υ	S-Y				
MORSE	Υ	Υ				
PETT	Υ	Υ				
STARKWEATHER	S-Y	M-Y				<u> </u>

# MEETING OF THE **BCERS** BOARD OF TRUSTEES COMMITTEE OCTOBER 20, 2016

IN THE BOARD OF COMMISSIONER'S CHAMBERS, LOCATED AT 515 CENTER AVENUE,  $\mathbf{4}^{\text{TH}}$  FLOOR, BAY CITY, MI 48708

MEETING CALLED TO ORDER BY: CHAIRPERSON STEVE GRAY 8:30 A.M.

#### **RESOLUTIONS**

TRUSTEE	2016-4 6						
BRZEZINSKI	Y						
COONAN	Е				-		
GONZALES	Y	:	, , , , , ,				
GRAY	Y						
GROMASKI	E						
KRYGIER	M-Y						
MORSE	Υ						
PETT	S-Y						
STARKWEATHER	Υ						

CODE: M - MOVED; S - SUPPORTED; Y-YEA; N-NAY; A-ABSENT; E-EXCUSED

RET. 2016	BAIRD	BARINGS	CORNERSTONE	DENYER	EAGLE (RJFN)	GENEVA	HOTCHKIS & WILEY	LOOMIS SAYLES	MACKAY SHIELDS	MES	MFS INTER- NATIONAL	INTEGRITY	SCHRODER	COLUMBIA	VANGUARD	PRIŞA	CASH	TOTAL
VENDOR#	63541	1539	464	29624	2980	4290	57457	20127	55627	4021	2663976	55150	6533 <u>7</u>	44907				
January-16	26,283,359.90	9,549.37	8,024,569.76		9,137,770.44	19,317,122.12	8,643,010.65	35,626,684.74	12,045,418.38	31,368,773.03	24,387,024.29	18,703,644.28	25,440,447.89	27,919,505.11	28,982,907.86	10,204,968.00	2,118,603.07	288,213,356,69
February-16	26,478,395.80	9,724.10	7,983,427.70		8,488,832.78	18,426,852.58	7,745,292.81	35,962,113,86	12,118,530.94	30,801,024.66	23,447,311.75	18,310,761.32	25,285,553.05	28,067,691.20	28,943,686.36	10,492,136.00	3,590,989.69	285,130,124.60
March-16	26,537,197.15	10,149.14	8,760,986.78		9,039,428.01	18,358,054.70	8,553,808.96	37,093,053.78	12,768,517.82	32,525,775.18	23,144,625,39	18,257,453.44	27,153,795.99	29,997,154.52	30,905,457.95	10,492,136.00	5,165,466.43	298,760,061.22
April-15	26,550,263.68	10,165.72	8,539,439.80		9,194,415.00	18,433,022.68	8,635,510.45	37,718,226.09	13,045,771,83	32,389,182.35	24,828,194.61	18,620,464.90	27,388,757.32	30,654,357.79	31,026,396.89	10,693,192,00	3,962,112.72	301,669,473.83
May-16	26,562,219.04	9,828,33	8,789,939.91		9,397,770.03	19,016,525.74	8,536,977.58	37,670,659.73	13,193,476.59	33,351,798.78	25,061,638.99	19,068,924.49	27,721,210.17	31,257,261.87	31,581,730.62	10,693,192.00	2,694,037.53	304,607,191.40
June-16	26,981,765.58	9,927.48	7,184,852.46		9,401,521.55	18,917,259.39	8,294,976.30	38,505,541.49	11,008,025.16	32,069,284,07	25,172,426.15	19,043,324.29	28,017,554.50	30,290,411.66	30,649,759.87	15,093,192.00	4,713,680.27	303,353,502.22
July-16	27,045,242.63	9,993.07	7,453,360.39		10,041,915.06	19,333,881.46	8,857,207.77	39,150,633.66	11,523,728.72	33,682,236.12	25,035,920.54	19,761,542.48	27,746,886.88	31,482,915.98	31,777,972.72	15,093,192.00	3,836,958.76	311,833,588.24
August-16	26,981,323.84	9,894.97	7,222,084,44		9,993,278.90	19,344,173,34	8,934,281.29	39,262,276.29	11,616,320.49	33,453,984.60	26,125,987.09	19,907,983.19	27,653,688.17	31,879,881.75	31,822,818.78	15,264,326.00	2,789,455.48	312,261,738.62
September-16	27,014,444.84	10,010.50	7,094,329.36		9,252,251.89	18,988,253.48	9,004,340.16	39,188,217,01	11,680,926.67	31,990,930.16	26,373,279.86	19,401,788.48	28,535,537.58	32,008,622.63	31,828,346.64	15,264,326.00	4,226,498.26	311,862,083,50
October-16	26,850,070.19	9,784.08	6,698,901.21		8,909,251.89	18,192,502.94	8,773,937.23	38,869,350,29	11,389,017.66	31,414,227.85	26,711,576.38	18,795,187.11	27,826,971.61	31,714,506.37	31,246,728.19	15,264,326.00	3,163,814.37	305,830,153.37
November-16																		
December-16																		
	BAIRD	BARINGS	CORNERSTONE	DENVER	EAGLE	GENEVA	HOTCHKIS & WILEY	LOOMIS SAYLES	MACKAY SHIELDS	MFS	MFS INT'L	INTEGRITY	SCHRODER	COLUMBIA	VANGUARD	PRISA	CASH	TOTAL
2016							LUMAI.	HILLANDA										
1ST QTR 2ND QTR 3RD QTR 4TH QTR	16,585.73 16,863.67		13,141,48 10,777,28 10,640.99		18,078.76 18,802.91 18,504.13	31,790.00 31,941.00	20,782.97 21,222.78 22,329.37	28,180.20 29,065.98 29,489.59	14,393.93 14,414.09 12,458.31	45,260.73 46,178.13	41,948.92 44,566.40	38,295.00 39,207.00	49,179.87 51,082.70	34,422,38 36,277,27 37,305,50		28,825.01 29,154.40 38,160.82		380,884,96 389,533.61 168,886.71 0.00
2014 YTD	33,449.40	0.00	34,559.75	0.00	55,385,80	63,731.00	64,335.12	88,735.77	41,264.33	91,438.86	86,515.32	77,502.00	100,242.57	108,005,13		96,140,23		

### ◆ Change in Book and Market Value

Page 1 of 142

	Cost	Market value	For more information
Opening balance	264,027,420.01	312,551,948.86	
Miscellaneous Cash Receipts	714.31	714.31	See funding & disbursement summary
Participant Contributions	. 116,521.57	116,521.57	See funding & disbursement summary
Sponsor Contributions	144,995.25	144,995.25	See funding & disbursement summary
Interportfolio Transfers In	3,000,000.00	3,000,000.00	See funding & disbursement summary
Benefit Payment Redeposits	5,323.83	5,323.83	See funding & disbursement summary
Total receipts	3,267,554.96	3,267,554.96	See funding & disbursement summary
Interportfolio Transfers Out	- 3,000,000.00	- 3,000,000.00	See funding & disbursement summary
Benefit Payments / Beneficiary Payments	- 1,442,586.00	- 1,442,586.00	See funding & disbursement summary
Total disbursements	- 4,442,586.00	- 4,442,586.00	See funding & disbursement summary
Income received	832,368.74	832,368.74	See income & expense summary, cash activity detail
Expenses paid	- 454,712.61	- 454,712.61	See income & expense summary
Unrealized gain/loss change	0.00	- 721,349.39	See asset summary
Realized gain/loss	1,286,674.63	1,286,674.63	See realized gain/loss summary
Accrued income change	- 119,856.66	- 119,856.66	See income & expense summary
Closing balance	264,396,863.07	312,200,042.53	



Charles B. Groeschell

Managing Director Senior Portfolio Manager Baird Advisors

October 27, 2016

Ms. Katie Meeth Retirement Administrator Bay County Employees' Retirement System 515 Center Avenue, Suite 706 Bay City, MI 48708-5128

#### Dear Katie:

Enclosed please find a summary review as of September 30, 2016 for the Bay County Employees' Retirement System Portfolio managed by Baird Advisors.

#### Market Review

The third quarter began with uncertainty surrounding the surprise Brexit vote in late-June. Yet, economic data in the U.S. over the last three months was sufficiently strong to boost the odds of a year-end Fed Funds rate hike above 50%. The expectations of a Fed rate hike led to higher Treasury rates in the third quarter, although the yield changes were modest. As would be expected, the curve flattened as short-term yields rose more than intermediate or long maturities given the Fed's more direct influence on the front end of the yield curve. Outside of Treasuries (and municipals), other sectors of the market produced positive returns for the quarter despite the higher rates, thanks to a narrowing of spreads. The corporate market outperformed other sectors even with heavy new supply. Strong demand from both domestic and foreign buyers proved to be more than enough to tighten corporate credit spreads. Structured products also contributed to the positive quarterly returns, particularly the mortgage-backed (MBS) and commercial mortgage-backed (CMBS) sectors. Agency MBS had a strong quarter as mortgage rates rose and prepayment concerns eased. This was a quarter that, once again, illustrated the benefit that a core fixed income allocation can offer investors, even in an environment of gradually rising rates. Clearly, the Fed would like to return to a more normal Fed Funds rate over time, and most investors would welcome a higher rate environment. Yet, by the Fed's own recently revised forecast, the pathway to "normal" is likely to remain quite gradual.

Enclosed please find the September 2016 Bond Market Comments which provide a more detailed review of the market.

#### Performance Update

The Bay County Employees' Retirement System Portfolio slightly underperformed its benchmark during the quarter.

Robert W. Baird & Co. 777 E Wisconsin Ave Milwaukee WI 53202 Direct 414 298-1063 Toll Free 888 792-9813 Eax 414 298-1078 Email egrotschell@rvvbaird.com Positive contributors to relative performance during the quarter include:

• An underweight to Treasuries in favor of Agency CMBS

Detractors from relative performance during the quarter include:

- An underweight to government agency MBS
- Yield curve positioning was a modest negative as a slight underweight to longer maturities detracted from performance

As we enter the final quarter of 2016, it is clear that the Fed would like to return to a more normal Fed Funds rate over time, and most investors would welcome a higher rate environment. Yet, by the Fed's own recently revised forecast, the pathway to "normal" is likely to remain quite gradual. A "slower for longer" pace of economic growth and "lower for longer" level of interest rates remains our base case outlook. Yet, experience has taught us to be on the lookout for the unexpected, particularly in an environment of heighted global uncertainty. With a primary focus on risk management, our goal remains the same, which is to deliver consistently competitive returns for our clients over a full market cycle.

In addition, we have enclosed a copy of the Baird Advisors ADV brochure supplement. Thank you for your continued confidence in our fixed income capabilities. Please let us know if you have any questions as you review this information.

Sincerely,

Charles B. Groeschell

Charles B. Mouchell.

cc: Crystal Hebert - Bay County Employees' Retirement System
Jeanette Bateman - Bay County Employees' Retirement System
Tracy Cederquist - Bay County Employees' Retirement System
Howard Pohl - The Bogdahn Group
Peter Brown - The Bogdahn Group

# Bay County Employees' Retirement System Fixed Income Portfolio

#### September 30, 2016

	Fixed Income Portfolio	Custom Benchmark
Average Quality	AAA	AAA
Average Coupon	3.07 %	2.82 %
Current Yield	2.88 %	2.66 %
Yield to Maturity	1.71 %	1.66 %
Duration	4.36 years	4.36 years
Average Maturity	5.96 years	6.31 years
Quality Profile		
US Treasury	31.4 %	46.8 %
Agency	66.1 %	53.2 %
Aaa	2.5 %	0.0 %
Aa	0.0 %	0.0 %
Α	0.0 %	0,0 %
Baa	0.0 %	0.0 %
	100.0 %	100.0 %
Sector Profile		
US Treasury	31.4 %	46.8 %
Agency	1.5 %	3.2 %
Mortgages/CMOs	47.3 %	50.0 %
Asset-Backed	0.0 %	0.0 %
CMBS	17.3 %	0.0 %
Other Govt	0.0 %	0.0 %
Industrial	0.0 %	0.0 %
Utility	0.0 %	0.0 %
Financial Institutions	0.0 %	0.0 %
Cash	<u>2.5 %</u>	0.0 %
	100.0 %	100.0 %
Number of Issues	96	1,113
Market Value	\$27,014,444	

Custom benchmark is comprised of 50% Bloomberg Barclays U.S. Government/50% Bloomberg Barclays U.S. MBS

# Baird Advisors Performance Summary



3/31/2006 - 9/30/2016

### **Bay County Employees' Retirement System**

	Portfolio Performance Gross of Fees	Custom Benchmark*
1 Month Return	0.12%	0.08%
Trailing 3 Months	0.12%	0.17%
Year to Date	4.70%	4.34%
Trailing 12 Months	4.01%	3.81%
3 Year	3.71%	3.47%
5 Year	2.58%	2.41%
7 Year	3.62%	3.41%
10 Year	4.66%	4.50%
Annualized Since Inception	4.80%	4.63%
Cumulative Since Inception	63.64%	60.88%
Market Value as of 9/30/2016	\$27,014,444	

The performance is presented on a cumulative compound and annualized basis and does not reflect the deduction of investment advisory fees. Returns would be reduced by an advisory fee and other fees such as custodial expenses; refer to the client contract for client specific fee schedule. All returns are enleulated on a time weighted, total return basis. The results shown should not be considered representative of future investment returns. Baird Advisors relies on securities valuations provided by client's custodian for purposes of performance reports. The Baird Advisors Brochure is available upon request.

<sup>\*</sup>The current benchmark is the custom benchmark of 50% Bloomberg Barclays U.S. Government/50% Bloomberg Barclays U.S. MBS which is an unmanaged portfolio of specific securities. Direct investment in the index is not available.

# Baird Advisors Performance Summary



3/31/2006 - 9/30/2016

### **Bay County Employees' Retirement System**

	Portfolio Performance Net of Fees	Custom Benchmark*
1 Month Return	0.10%	0.08%
Trailing 3 Months	0.06%	0.17%
Year to Date	4.51%	4.34%
Trailing 12 Months	3.75%	3.81%
3 Year	3.42%	3.47%
5 Year	2.28%	2.41%
7 Year	3.32%	3.41%
10 Year	4.35%	4.50%
Annualized Since Inception	4.50%	4.63%
Cumulative Since Inception	58.69%	60.88%
Market Value as of 9/30/2016	\$27,014,444	

The performance is presented on a cumulative compound and annualized basis net of fees. Returns would be reduced by an advisory fee and other fees such as custodial expenses; refer to the client contract for client specific fee schedule. All returns are calculated on a time weighted, total return basis. The results shown should not be considered representative of future investment returns. Client should review all account statements provided by its custodian and compare those account statements to any account statement provided by Baird Advisors. Baird Advisors relies on securities valuations provided by client's custodian for purposes of performance reports. The Baird Advisors Brochure is available upon request.

<sup>\*</sup>The current benchmark is the custom benchmark of 50% Bloomberg Barclays U.S. Government/50% Bloomberg Barclays U.S. MBS which is an unmanaged portfolio of specific securities. Direct investment in the index is not available.

# BARINGS

PERFORMANCE HISTORY
Bay County Employees' Retirement System
U.S. REIT Strategy

## Percent Total Return Per Period

Time Period	9/30/2016	Port Gross	folio Net	FTSE/NAREIT Equity REIT Index
1 Month		-2.05%	-2.10%	-1.76%
YTD		11.65%	11.15%	11.75%
1 Year		19.39%	18.69%	19.86%
3 Year		16.12%	15.43%	14,22%
5 Year		17.06%	16.37%	15.91%
Inception (October	21, 2008)	16.29%	15,60%	14.40%

### Barings

Bay County Employees' Retirement System U.S. REIT Strategy

		Property			Cost Per	Closing Price	Percentage of	Market Value	Dividend
Symbol quity Holdings	Description	Туре	Shares	Cost	Share	9/30/2016	Portfolio	9/30/2016	Yield
cc	American Campus Communities In	Apartment	5,880	\$262,835	\$44.70	\$50.87	4,2%	\$299,116	3.3%
VB	AvalonBay Communities Inc	Apartment	790	\$141,612	\$179.26	\$177.84	2.0%	\$140,494	3.0%
<b>)</b> γγετα παρευτή	Camden Property Trust	Apartment	2,660	\$231,322	\$86.96	\$83.74	3.1%	\$222,748	3.6%
QR ·	Equity Residential	Apartment	1,070	\$69,397	\$64.86	\$64.33	1.0%	\$68,833	3.1%
<b>4A</b>	Mid-America Apartment Communit	Apartment	2,150	\$214,015	\$99.54	\$93.99	2.9%	\$202,079	3.5%
5	Post Properties Inc	Apartment	1,910	\$126,023	\$65.98	\$66.13	1.8%	\$126,308	2.8%
NE	CyrusOne Inc	Data Center	7,780	\$373,660	\$48.03	\$47.57	5.2%	\$370,095	3.2%
IX	Equinix Inc	Data Center	850	\$276,871	\$325.73	\$360.25	4.3%	\$306,213	1.9%
<b>S</b> TOTE OF STATE	QTS Realty Trust Inc	Data Center	2,910	\$162,398	\$55.81	\$52.85	2.2%	\$153,794	2.7%
<del>-</del>	Spirit Realty Capital Inc	Free Standing	14,610	\$196,679	\$13.46	\$13.33	2.8%	\$194,751	5.3%
)R	STORE Capital Corp	Free Standing	3,010	\$88,079	\$29.26	\$29.47	1.3%	\$88,705	3.9%
C	Physicians Realty Trust	Healthcare	7,350	\$124,831	\$16.98	\$21.54	2.2%	\$158,319	4.2%
N	Welltower Inc	Healthcare	4,720	\$304,460	\$64.50	\$74.77	5.0%	\$352,914	4.6%
1	National Health Investors Inc	Healthcare	1,087	\$68,186	\$62.73	\$78.48	1,2%	\$85,308	4.6%
R	Ventas Inc	Healthcare	4,857	\$315,663	\$64.99	\$70.63	4.8%	\$343,050	4.1%
SP	Chesapeake Lodging Trust	Hotels	1,750	\$44,728	\$25.56	\$22.90	0.6%	\$40,075	7.0% 5.5%
Н	DiamondRock Hospitality Co	Hotels	5,420	\$72,171	\$13.32	\$9.10	0.7%	\$49,322	
1	FelCor Lodging Trust Inc	Hotels	12,940	\$132,670	\$10.25	\$6.43	1.2%	\$83,204	3.7%
r ·	Hilton Worldwide Holdings Inc	Hotels/Not Indexed	2,270	\$51,125	\$22.52	\$22.93	0.7%	\$52,051	1.2%
Ę	Duke Realty Corp	Industrial	6,500	\$156,142	\$24.02	\$27.33	2.5%	\$177,645	2.6%
pelitina pelitina	First Industrial Realty Trust	Industrial	6,290	\$164,211	\$26.11	\$28.22	2.5%	\$177,504	
D	Prologis Inc	Industrial	8,450	\$444,660	\$52.62	\$53.54	6,4%	\$452,413	3.1%
Р	Boston Properties Inc	Office	2,340	\$283,657	\$121.22	\$136.29	4.5%	\$318,919	1.9%
N	Brandywine Realty Trust	Office	5,530	\$91,522	\$16.55	\$15.62	1,2%	\$86,379	4.1%
W	Highwoods Properties Inc	Office	2,390	\$90,614	\$37.91	\$52.12	1.8%	\$124,567	3.3%
C	Kilroy Realty Corp	Office	2,672	\$173,712	\$65.01	\$69.35	2.6%	\$185,303	2.2%
RE	Paramount Group Inc	Office	8,660	\$149,159	\$17.22	\$15.39	2.0%	\$141,937	2.3%
G	SL Green Realty Corp	Office	820	\$82,176	\$100.21	\$108.10	1.3%	\$88,642	2.7%
4C	Macerich Co/The	Regional Mall	3,610	\$287,310	\$79.59	\$80.87	4.1%	\$291,941	3.4%
G .	Simon Property Group Inc	Regional Mall	2,828	\$384,821	\$136.08	\$207.01	8.3%	\$585,424	3.2%
O programme	Taubman Centers Inc	Regional Mall	1,400	\$109,267	\$78.05	\$74.41	1.5%	\$104,174	3.2%
R	Acadia Realty Trust	Shopping Centers	5,751	\$177,328	\$30.83	\$36.24	2.9%	\$208,416	2.8%
X	Brixmor Property Group Inc	Shopping Centers	4,690	\$130,925	\$27.92	\$27.79	1.8%	\$130,335	3.5%
ĮΥ	Equity One Inc	Shopping Centers	5,470	\$154,490	\$28.24	\$30.61	2.4%	\$167,437	2.9%
T	Ramco-Gershenson Properties Tr	Shopping Centers	3,880	\$69,836	\$18.00	\$18.74	1.0%	\$72,711	4.7%
G	Regency Centers Corp	Shopping Centers	2,200	\$149,796	\$68.09	\$77.49	2.4%	\$170,478	2.6%
a see ee ee	Tanger Factory Outlet Centers	Shopping Centers	2,400	\$77,547	\$32.31	\$38.96	1.3%	\$93,504	3.3%
0	GEO Group Inc/The	Specialty	2,200	\$51,858	\$23.57	\$23.78	0.7%	\$52,316	10.9%
				al Equities			98.5%	\$6,967,422	3.3%
				al Cash & Casi			1.5%_	\$107,708	
			7	otal Portfolio	Value		100.0%	\$7,075,130	

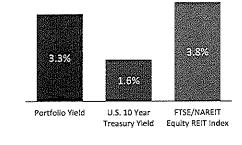
## BARINGS

## PERFORMANCE HISTORY Bay County Employees' Retirement System U.S. REIT Strategy

\*Inception Date: October 21, 2008

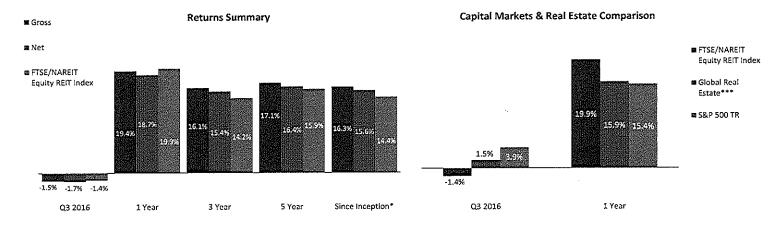
Total Return as of 09/30/2016

Time Period	Portfolio Return Gross		TSE/NAREIT Jity REIT Index
Q3 2016	-1.51%	-1.66%	-1.43%
YTD 2016	11.65%	11.15%	11.75%
1 Year	19.39%	18.69%	19.86%
3 Year	16.12%	15.43%	14.22%
5 Year	17.06%	16.37%	15.91%
Since Inception*	16.29%	15.60%	14.40%



Dividend Yields\*\*

<sup>\*\*</sup> All forward yields



Past performance is not a guarantee of future performance.

\*\*\* FTSE EPRA/NAREIT Developed Index

## BARINGS

## Bay County Employees' Retirement System U.S. REIT Strategy September 30, 2016

Top Ten Equity Holdings

		Total Portfolio	)		Market Close	Portfolio Market			Security Market
Ticker	Security	Weight	Sector	Quantity	Price	Value	Equity Weight*	Dividend Yield	Return Quarter
SPG	Simon Property Group Inc	8.3%	Regional Mali	2,828	\$207.01	\$585,424	8.4%	3.2%	H -3.8%
PLD	Prologis Inc	6.4%	Industrial	8,450	\$53.54	\$452,413	6.5%	3.1%	10.1%
CONE	CyrusOne Inc	5.2%	Data Center	7,780	\$47.57	\$370,095	5.3%	和60年3.2% 计图1	13.9%
HCN	Welltower Inc	5.0%	Healthcare	4,720	\$74.77	\$352,914	5.1%	4.6%	-0.7%
VTR	Ventas Inc	4,8%	Healthcare	4,857	\$70.63	\$343,050	4.9%	4.1%	-2.0%
BXP	Boston Properties Inc	4.5%	Office	2,340	\$136.29	\$318,919	4.6%	1.9%	3.8%
EQIX	Equinix Inc	4.3%	Data Center	850	\$360.25	\$306,213	4.4%	1.9%	-6.6%
ACC	American Campus Communities In	4,2%	Apartment	5,880	\$50.87	\$299,116	4.3%	3.3%	-3.0%
MAC	Macerich Co/The	4.1%	Regional Mall	3,610	\$80.87	\$291,941	4.2%	3.4%	-4.5%
CPT	Camden Property Trust	3.1%	Apartment	2,660	\$83.74	\$222,748	3.2%	3.6%	0.4%
		50.1%	<del>_</del>		-	\$3,542,832	50.8%	3.2%	

FTSE NAREIT Equity Index vs. Portfolio Sector Weightings

		NAREIT Equity	
Sector	Equity Weight*	Index Weight	Over/Under Weight
Apartment	15.2%	13.1%	2.1%
Single Family	0.0%	0.8%	-0.8%
Diversified	0.0%	6.5%	-6.5%
Healthcare	13.5%	12.8%	0.7%
Hotels	3.2%	4,9%	-1.7%
Industrial	. 11.6%	7.3%	4.3%
Manufactured Homes	0,0%	1,3%	-1.3%
Office	13.6%	11.4%	2.2%
Regional Mall	14.1%	12.1%	2.0%
Self-Storage	0.0%	6.1%	-6.1%
Specialty	(4.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1	3.9%	
Free Standing	4.1%	4.6%	-0.5%
Shopping Centers	36.080,936,860,900,91 <b>.12.1%</b>	8.8%	3.3%
Data Center	11.9%	6.3%	5.6%
	100.0%	100.0%	



Sector weights include securities that are not in the index.

<sup>\*</sup>Note: Weight excludes cash and cash equivalents.

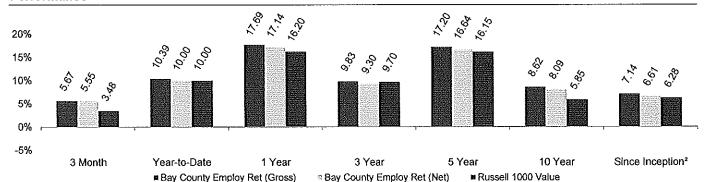
### COLUMBIA THREADNEEDLE

### Quarterly Investment Review

Bay County Employees Retirement System

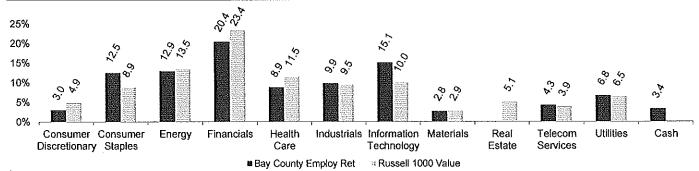
Reconciliation of Assets <sup>1</sup>	
Beginning Market Value 07/01/2016	\$ 30,290,106
Net Contributions/Withdrawals	\$ 
Income Earned	\$ 174,806
Change in Market Value	\$ 1,543,263
Ending Market Value 09/30/2016	\$ 32,008,175

#### Performance



	3 Month (%)	Year-to-Date (%)	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception <sup>2</sup> (%)
Bay County Employees Retirement System (Gross)	5.67	10.39	17.69	9.83	17.20	8.62	7.14
Bay County Employees Retirement System (Net)	5.55	10.00	17.14	9.30	16.64	8.09	6.61
Russell 1000 Value Index	3.48	10.00	16.20	9.70	16.15	5.85	6.28

#### Sector Allocation as of 09/30/2016



Source: Columbia Management Investment Advisers, LLC, Factset

Past performance does not guarantee future results. Please refer to the Disclosures at the end of this presentation for more information.

<sup>&</sup>lt;sup>1</sup> Asset values can differ slightly due to rounding.

<sup>&</sup>lt;sup>2</sup> Inception Date: 01/27/2001

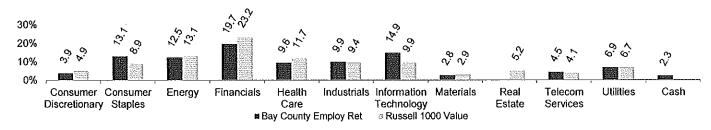


### Quarterly Investment Review

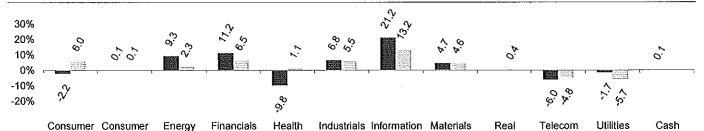
Bay County Employees Retirement System

Characteristics <sup>1</sup>	Bay County Employ Ret	Russell 1000 Value
Number of Holdings	37	687
Weighted Median Market Cap (mil.)	\$54,931.3	\$55,499.2
Weighted Average Market Cap (mil.)	\$76,856.5	\$106,251.6
Return on Equity	9.7%	9.6%
Price/Earnings (forward 12 mo.)	13.9x	15.0x
Dividend Yield	2.3%	2.6%
Price/Book	1.8x	1.8x

#### Average Quarterly Sector Allocation



#### **Sector Performance**



isci elloriai y	Staples	Cale	recritiology
		■ Bay County Employ Ret	Russell 1  Russell 1  ■ Russell 1

echnology	Estate	Services
Russell 1000 Value		

Attribution Analysis	Stock Selection (%)	Sector Weighting (%)	Net Contribution (%)
Consumer Discretionary	-0.22	0.01	-0.20
Consumer Staples	0.04	-0.15	-0.11
Energy	0.85	0.03	0.88
Financials	0.89	-0.11	0.78
Health Care	-1.16	0.07	-1.09
Industrials	0.12	0.01	0.14
Information Technology	1.04	0.46	1.50
Materials	0.00	0.00	0.01
Real Estate	0.00	0.16	0.16
Telecom Services	-0.06	-0.04	-0.10
Utilities	0.29	-0.01	0.28
Cash	0.00	-0.04	-0.04
Total	1.81	0.39	2.20

Top 5 Contributors	Contribution to Return
Applied Materials, Inc.	0.92
QUALCOMM Incorporated	0.85
Corning Incorporated	0.63
Williams Companies, Inc.	0.52
Anadarko Petroleum Corporation	0.51

Top 5 Detractors	Contribution to Return
Bristol-Myers Squibb Company	-0.96
Verizon Communications Inc.	-0.29
Lowe's Companies, Inc.	-0.28
Altria Group, Inc.	-0.28
NextEra Energy, Inc.	-0.24

Source: Factset

Past performance does not guarantee future results. Factset uses timeweighted returns to measure performance by utilizing the portfolio's beginning of day security weights and end of day security prices, then geometrically links the daily returns across the measurement period. This method for calculating a portfolio's return removes the impact of cash flows on portfolio performance. Factset attribution is intended to provide insight into directional market forces but not intended to provide realized portfolio performance. Please refer to the Disclosures at the end of this presentation for more information.

<sup>&</sup>lt;sup>1</sup> Weighted Harmonic Average.

Investment		
	Rase (	urrency: HSD

Category	Cost	Market Value	Accrued Income	Current Yield	Est. Annual Income	% of Portfolio
CASH AND EQUIVALENTS	1,075,701	1,075,701	0	0.00%	0	3.36%
EQUITIES	20,552,174	30,908,001	24,473	2.35%	727,631	96.64%
TOTAL ACCRUED INCOME	21,627,876	31,983,702 24,473	24,473	2.28%	727,631	100.00%
TOTAL MARKET VALUE		32,008,175				

#### Commissions by Broker

Broker	Total Trades	Total Commissions	Client Directed Trades	Client Directed Commissions	Client Directed Trades as % of Total Trades	Client Directed Commissions as % of Total Commissions
Currency: USD						
BREAN MURRAY	1	44.70	0	0.00	0.00%	0.00%
DEUTSCHE BANK	1	164.07	0	0.00	0.00%	0.00%
GOLDMAN SACHS & CO.	1	120.00	0	0.00	0.00%	0.00%
LIQUIDNET	2	16.29	0	0.00	0.00%	0.00%
NEEDHAM & CO	1	24.30	0	0.00	0.00%	0.00%
SANFORD C BERNSTEIN & CO. INC	1	12.58	0	0.00	0.00%	0.00%
WEEDEN & CO	4	448.89	4	448.89	36.36%	54.03%
Account Total		830.83		448.89	36.36%	54.03%

Investment period ending: 09/30/2016

Portfolio inception date: 09/02/2010

### Bay County Employees' Retirement System - 05231100

Portfolio Style: SmallCap Growth Equity

**Industry Weightings** 

Portfolio Summary					
	Month To Date	Year To Date			
Beginning Market Value	9,993,137.08	10,188,378.45			
Contributions	0.00	687.37			
Withdrawals	-800,046.59	-1,425,616.24			
Dividend and Interest Income	1,848.61	44,814.27			
Change in Market Value	57,123.50	443,798.75			
Ending Market Value	9,252,062.60	9,252,062.60			

Performance Summary							
	MTD	ΩТΩ	YTD	1 Year	3 Years	5 Years	Annualized Since Inception
Gross	.59	6.91	6.51	11.72	5.71	15.19	14.37
Net	.59	6.71	5.85	10.82	4.82	14.20	13.45
RU20GRTR <sup>1</sup>	1.44	9.22	7.48	12.12	6.58	16.15	15.37

Performance is based on fiscal year end of portfolio

Financials		
7.33%		Information
Industrials		- Technology
Industrials		25.07%
15.03%		25.07 70
Materials		Consumer
5.55%		- Staples
5.55 %		1.65%
Consumer		
Discretionary -		Health Care
	THE STATE OF THE S	

24.65%

Security Description	Total Market Value	% of Market Value
QUAKER CHEMICAL CORP	309,421.53	3.34%
UNIVERSAL ELECTRONICS INC	272,523.60	2.95%
COHERENT INC	211,020.86	2.28%
VAIL RESORTS INC	206,767.84	2.24%
GENESCO INC	194,313.28	2.10%
SYNOVUS FINANCIAL CORP	187,307.74	2.02%
REALPAGE INC	179,488.80	1.94%
WASTE CONNECTIONS INC	176,740.20	1.91%
ELLIE MAE INC	165,636.90	1.79%
BRIGHT HORIZONS FAMILY SOLUT	163,278.49	1.77%

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Currency Valuation: USD

17.61%

Cash 3.12%

<sup>1</sup> Russell 2000 Growth Index

## **Activity Summary**

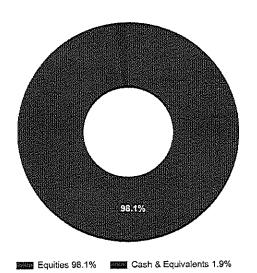
•	Month To Date	Quarter To Date	Year To Date
Beginning Market Value	19,344,227.20	18,916,977.14	20,449,771.41
Net Additions	-54.05	-228.50	-1,925,700.75
Gains/Losses (Net of Fees)	-356,075.87	71,348.64	464,026.62
Ending Market Value	18,968,097.28	18,988,097.28	18,988,097.28

## **Account Objectives & Asset Allocation**

#### Range

		152 (2004) 153 (2004) 153 (2004) 153 (2004) 153 (2004) 153 (2004) 153 (2004) 153 (2004) 153 (2004) 153 (2004)		
Objective	Style	Equity	Fixed Income	Cash
Equity	Mid Cap	95-100%	0%	0-5%





# **Performance Overview**

Net of Fees | US Dollar 9/30/2016

Bay County Employees' Retirement System XXXX9057 (bcers)

## **Performance Returns**

Asset Class	Month To Date	Quarter To Date	Year To Date	Annualized Latest 1 Year	Annualized Latest 3 Years	Annualized Inception To Date (1/17/2013)
Equities	-1.88	0.41	3.09	5.28	7.06	10.46
Account	-1.84	0.21	2.26	4,19	6.04	9.44
Index						
Russell Midcap Growth Index	-0.05	4.59	6.84	11.24	8.90	12.58

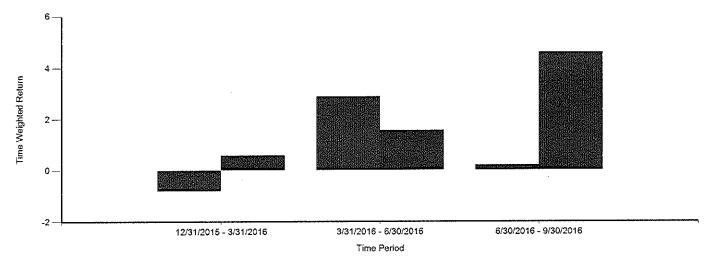
Net of Fees | US Dollar 12/31/2015. - 9/30/2016

## **Performance History**

#### Percent Return Per Period

Tin	ne Per	iod	Total	Equities	Russell Midcap Growth Index
12/31/2015	to	03/31/2016	-0.81	-0.50	0.58
03/31/2016	to	06/30/2016	2.88	3.17	1.56
06/30/2016	to	09/30/2016	0.21	0.41	4.59
Dat	te to D	ate			
12/31/2015	to	09/30/2016	2.26	3.09	6.84

## **Time Weighted Return**



Total

Russell Midcap Growth Index

7

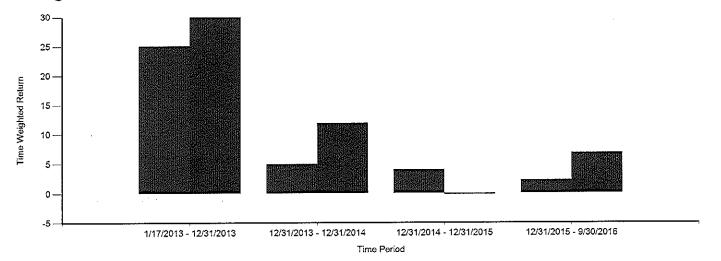
1/17/2013 - 9/30/2016

## Performance History

#### Percent Return Per Period

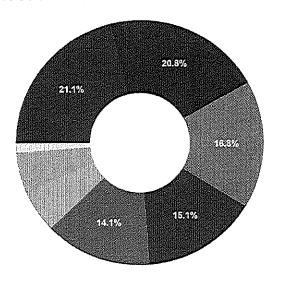
Tin	ne Per	iod	Total	Equities	Russell Midcap Growth Index
01/17/2013	to	12/31/2013	25.11	26.17	29.97
12/31/2013	to	12/31/2014	4.96	6.21	11.90
12/31/2014	to	12/31/2015	3.99	4.61	-0.20
12/31/2015	to	09/30/2016	2.26	3.09	6.84
Incep	tion to	Date			
01/17/2013	to	09/30/2016	39.64	44.51	55.07
Annualized			9.44	10.46	12.58

## **Time Weighted Return**



US Dollar 9/30/2016

### Portfolio Allocation as of 9/30/2016



** *** ****	Industry Sector	Market Value	% Equity	% Assets
	HEALTH CARE	3,932,703	21.1	20.7
	TECHNOLOGY	3,872,940	20.8	20.4
	PRODUCER DURABLES	3,125,427	16.8	16.5
453.70	CONSUMER DISCRETIONARY	2,804,094	15.1	14.8
	FINANCIAL SERVICES	2,617,893	14.1	13.8
	MATERIALS & PROCESSING	1,038,661	5.6	5.5
	CONSUMER STAPLES	1,008,930	5.4	5.3
	UTILITIES	223,676	1.2	1.2
	Equity Total	18,624,326	100.0	98.1

ത

# **Top 10 Holdings**

Quantity	Symbol	Security	Cost Basis	Market Value	% Assets
2,064	The same of the sa	O REILLY AUTOMOTIVE INC NEW COM	180,985	578,147	3.0
8,046	aph	AMPHENOL CORP NEW CL A	, 273,228	522,346	2.8
14,118	lkq	LKQ CORP COM	329,684	500,624	2.6
2,888	tyl	TYLER TECHNOLOGIES INC COM	260,006	494,512	2.6
4,936	fisv	FISERV INC COM	204,302	490,984	2.6
9,852	chd	CHURCH & DWIGHT INC COM	293,276	472,108	2.5
4,117	intu	INTUIT COM	257,070	452,911	2.4
1,693	ayi	ACUITY BRANDS INC COM	359,089	447,968	2.4
1,986	bcr	BARD C R INC COM	252,319	445,420	2.3
7,100	cern	CERNER CORP COM	306,444	438,425	2.3
Top 10 Holdings	Total		2,716,404	4,843,446	25.5

# Henderson Geneva Capital Management PORTFOLIO APPRAISAL

# Bay County Employees' Retirement System XXXX9057 (bcers) September 30, 2016

Quantity	uantity Security		Total Cost	Price	Market Value	Pct. Assets	Yield
COMMON STOC	К						
1,645		112.21	184,591	128.58	211,514	1.1	0.0
1,693	ACUITY BRANDS INC	212.10	359,089	264.60	447,968	2.4	0.2
1,746	AFFILIATED MANAGERS GRP COM	122.37	213,656	144.70	252,646	1.3	0.0
2,974	ALIGN TECHNOLOGY INC COM	30.60	91,018	93.75	278,812	1.5	0.0
8,046	AMPHENOL CORP NEW CL A	33.96	273,228	64.92	522,346	2.8	0.9
3,730	ANSYS INC COM	72.76	271,396	92.61	345,435	1.8	0.0
1,986	BARD C R INC COM	127.05	252,319	224.28	445,420	2.3	0.5
3,925	BEACON ROOFING SUPPLY INC COM	36.15	141,905	42.07	165,125	0.9	0.0
6,161	BROADRIDGE FINL SOLUTIONS INC COM	54.41	335,195	67.79	417,654	2.2	1.9
4,018	CARTER INC COM	85.78	344,657	86.71	348,401	1.8	1.5
7,100	CERNER CORP COM	43.16	306,444	61.75	438,425	2.3	0.0
9,852	CHURCH & DWIGHT INC COM	29.77	293,276	47.92	472,108	2.5	1.5
6,533	COGNIZANT TECHNOLOGY SOLUTIONS CL A	39.08	255,337	47.71	311,689	1.6	0.0
1,921	COOPER COS INC COM NEW	163.99	315,024	179.26	344,358	1.8	0.0
6,283	COPART INC COM	32.80	206,089	53.56	336,517	1.8	0.0
1,778	COSTAR GROUP INC	145.37	258,468	216.53	384,990	2.0	0.0
6,249	DENTSPLY SIRONA INC COM	39.37	246,039	59.43	371,378	2.0	0.5
9,276	EAST WEST BANCORP INC COM	23.16	214,812	36.71	340,522	1.8	2.2
5,677	FASTENAL CO COM	46.02	261,280	41.78	237,185	1.2	2.9
4,936	FISERV INC COM -	41.39	204,302	99.47	490,984	2.6	0.0
4,632	FORTUNE BRANDS HOME & SEC INC COM	60.18	278,737	58.10	269,119	1.4	1.1
4,221	GARTNER INC COM	81.35	343,378	88.45	373,347	2.0	0.0
5,987	GROUP INC COM	45.49	272,355	35.58	213,017	1.1	0.0
4,153	SVCS INC COM	74.54	309,563	81.14	336,974		1.1
3,150	IDEX CORP COM	52.85	166,466	93.57	294,745		1.5
2,809	IDEXX LABS INC COM	64.91	182,329	112.73	316,659		0.0
1,544	INTERCONTINENTAL EXCHANGE INC COM	127.72	197,197	269.36	415,892		1.3
4,117		62.44	257,070	110.01	452,911	2.4	1.2
3,358	J2 GLOBAL INC COM	74.57	250,419	66.61	223,676		2.0
14,118		23.35	329,684	35.46	500,624	2.6	0.0
7,491	MANHATTAN ASSOCS INC COM	36.87	276,197	57.62	431,631	2.3	0.0
2,873	MAXIMUS INC COM	64.16	184,319	56.56	162,497		0.3
3,529	MIDDLEBY CORP COM	76.75	270,841	123.62	436,255		0.0
2,064		87.69	180,985	280.11	578,147	3.0	0.0
1,778		173.44	308,375	194.72	346,212	1.8	0.0

# Henderson Geneva Capital Management PORTFOLIO APPRAISAL

# Bay County Employees' Retirement System XXXX9057 (bcers) September 30, 2016

A,881   PAREXEL INTL CORP   33.14   161,741   69.45   338,985   1.8   COM	Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Yield
COM 2,291 PERRIGO CO PLC SHS 149.25 341,943 92.33 211,528 1.1 6,557 RAYMOND JAMES 53.44 360,411 58.21 381,683 2.0 FINANCIAL INC COM 57.20 286,937 80.83 405,443 2.1 1,665 ROPER 125.96 212,250 182.47 307,462 1.6 TECHNOLOGIES INC COM 1,613 SCHEIN HENRY INC 172.40 278,082 162.98 262,887 1.4 COM 2,689 SIGNATURE BK NEW 72.85 195,889 118.45 318,512 1.7 YORK N Y COM YORK N Y COM YORK N Y COM SUM YORK N Y COM YORK N Y COM SUM YORK N Y COM YOR	A 994	DADEVEL INTL CORD	22 14	161 7/1	60.45	220 005	10	0.0
CASH AND EQUIVALENTS   149,25   341,943   92,33   211,528   1.1	4,001		33.14	101,741	09.40	\$30,903	1.0	0.0
6,557   RAYMOND JAMES   53,44   350,411   58,21   381,683   2.0	2.291		149.25	341.943	92.33	211.528	1.1	0.6
S.016 RED HAT INC COM	•							1.4
1,685 ROPER   125,96   212,250   182,47   307,462   1.6   TECHNOLOGIES INC COM   1,613   SCHEIN HENRY INC   172,40   278,082   162,98   262,887   1.4   COM   2,689   SIGNATURE BK NEW   72,85   195,889   118,45   318,512   1.7   YORK NY COM   2,389   SMUCKER J M CO   93,37   223,065   135,54   323,805   1.7   COM NEW   2,586   31,73   189,320   32,15   191,839   1.0   TECHNOLOGIES   HLDGS INC COM   5,144   STERIS PLC SHB USD   74,15   381,438   73,10   376,026   2.0   2,716   TRACTOR SUPPLY   46,82   127,158   67,35   182,923   1.0   CO COM   2,888   TYLER   90,03   260,006   171,23   494,512   2.6   TECHNOLOGIES INC COM   1,682   ULTIMATE   151,72   255,199   204,39   343,784   1.8   SOFTWARE GROUP   INC COM   4,890   UNDER ARMOUR INC   16,69   81,627   33,86   165,575   0.9   CLASS C   4,856   UNDER ARMOUR INC   17,58   85,391   38,68   187,830   1.0   CO M   3,383   VARIAN MED SYS INC   74,77   252,952   99,53   336,710   1.8   COM   2,630   WABTEC CORP COM   47,44   124,756   81,65   214,739   1.1   1,337   WATSCO INC COM   136,86   182,973   140,90   188,383   1.0   4,410   WILLIAMS SONOMA   68,23   INC COM   13,700,402   18,624,326   98,11   1.0   CCASH AND EQUIVALENTS   ACCRUED DIVIDENDS   A,955		FINANCIAL INC COM						
TECHNOLOGIES INC COM  1,613 SCHEIN HENRY INC 172.40 278,082 162.98 262,887 1.4 COM  2,689 SIGNATURE BK NEW 72.85 195,889 118.45 318,512 1.7 YORK N Y COM  2,389 SMUCKER J M CO 93.37 223,065 135.54 323,805 1.7 COM NEW  1,569 SNAP ON INC COM 161.57 253,509 151.96 238,425 1.3 5,967 SS&C 31.73 189,320 32.15 191,839 1.0 TECHNOLOGIES HUDGS INC COM 5.144 STERIS PLC SHS USD 74.15 381,438 73.10 376,026 2.0 CO COM CO	•			· ·		,		0.0
COM	1,685		125.96	212,250	182.47	307,462	1.6	0.7
1,613 SCHEIN HENRY INC COM COM COM COM COM COM COM COM COM CO								
COM	4.040		470.40	070 000	100.00	000 007		0.0
2,689 SIGNATURE BK NEW YORK YORK YORK N Y COM YORK N Y COM SMCKER J M CO 93.37 223,065 135.54 323,805 1.7 COM NEW 1,569 SNAP ON INC COM 161.57 253,509 151.96 238,425 1.3 5,967 SS&C 31.73 189,320 32.15 191,839 1.0 TECHNOLOGIES HLDGS INC COM STRING YORK YORK YORK YORK YORK YORK YORK YORK	1,613		172.40	278,082	162.98	262,887	1.4	0.0
YORK N Y COM 2,389 SMUCKER J M CO 93.37 223,065 135.54 323,805 1.7 COM NEW 1,569 SNAP ON INC COM 161.57 253,509 151.96 238,425 1.3 5,967 SS&C 31.73 189,320 32.15 191,839 1.0 TECHNOLOGIES HLDGS INC COM 5,144 STERIS PLC SHS USD 74.15 381,438 73.10 376,026 2.0 2,716 TRACTOR SUPPLY 46.82 127,158 67.35 182,923 1.0 CO COM 2,888 TYLER 90.03 260,006 171.23 494,512 2.6 TECHNOLOGIES INC COM 1,682 ULTIMATE 151.72 255,199 204.39 343,784 1.8 SOFTWARE GROUP INC COM 4,890 UNDER ARMOUR INC 16.69 81,627 33.86 165,575 0.9 - CLASS C 4,866 UNDER ARMOUR INC 17.58 85,391 38.68 187,830 1.0 CL A 3,383 VARIAN MED SYS INC 74.77 252,952 99.53 336,710 1.8 COM 5,079 VERISK ANALYTICS 62.77 318,826 81.28 412,821 2.2 INC COM 2,630 WABTEC CORP COM 47.44 124,756 81.65 214,739 1.1 1,337 WATSCO INC COM 136.86 182,978 140.90 188,383 1.0 4,410 WILLIAMS SONOMA 68.23 300,883 51.08 225,263 1.2 INC COM 13,700,402 18,624,326 98.1	0.000		70.05	40E 000	440.45	240 540	4.7	0.0
2,389   SMUCKER J M CO	2,009		72.65	190,009	110.40	310,312	1.7	0.0
COM NEW 1,569 SNAP ON INC COM 161.57 253,509 151.96 238,425 1.3 5,967 SS&C 31.73 189,320 32.15 191,839 1.0 TECHNOLOGIES HLDGS INC COM 5,144 STERIS PLC SHS USD 74.15 381,438 73.10 376,026 2.0 2,716 TRACTOR SUPPLY 46.82 127,158 67.35 182,923 1.0 CO COM 2,888 TYLER 90.03 260,006 171.23 494,512 2.6 TECHNOLOGIES INC COM 1,682 ULTIMATE 151.72 255,199 204.39 343,784 1.8 SOFTWARE GROUP INC COM 4,890 UNDER ARMOUR INC 16.69 81,627 33.86 165,575 0.9 - CLASS C UNDER ARMOUR INC 17.58 85,391 38.68 187,830 1.0 CL A 3,383 VARIAN MED SYS INC 74.77 252,952 99.53 336,710 1.8 COM 5,079 VERISK ANALYTICS 62.77 318,826 81.28 412,821 2.2 INC COM 2,630 WABTEC CORP COM 47.44 124,756 81.65 214,739 1.1 1,337 WATSCO INC COM 136.86 182,978 140,90 188,383 1.0 4,410 WILLIAMS SONOMA 68.23 300,883 51.08 225,263 1.2 INC COM 13,700,402 18,624,326 98.1	2 389		93 37	223.065	135 54	323 805	17	2.2
1,569 SNAP ON INC COM 161.57 253,509 151.96 238,425 1.3 5,967 SS&C 31.73 189,320 32.15 191,839 1.0 TECHNOLOGIES HLDGS INC COM 5.144 STERIS PLC SHS USD 74.15 381,438 73.10 376,026 2.0 2,716 TRACTOR SUPPLY 46.82 127,158 67.35 182,923 1.0 CO COM 2,888 TYLER 90.03 260,006 171.23 494,512 2.6 TECHNOLOGIES INC COM 1,682 ULTIMATE 151.72 255,199 204.39 343,784 1.8 SOFTWARE GROUP INC COM 4,890 UNDER ARMOUR INC 16.69 81,627 33.86 165,575 0.9 CLASS C 4,856 UNDER ARMOUR INC 17.58 85,391 38.68 187,830 1.0 CLA 3,383 VARIAN MED SYS INC COM 5,079 VERISK ANALYTICS 62.77 318,826 81.28 412,821 2.2 INC COM 2,630 WABTEC CORP COM 47.44 124,756 81.65 214,739 1.1 1,337 WATSCO INC COM 136.86 182,978 140.90 188,383 1.0 4,410 WILLIAMS SONOMA 68.23 300,883 51.08 225,263 1.2 INC COM 13,700,402 18,624,326 98.1	2,000		00.07	LEO,000	100.01	020,000	,	2.2
5,967   SS&C   31,73   189,320   32.15   191,839   1.0	1,569		161.57	253,509	151.96	238,425	1.3	1.6
HLDGS INC COM 5,144 STERIS PLC SHS USD 74.15 381,438 73.10 376,026 2.0 2,716 TRACTOR SUPPLY 46.82 127,158 67.35 182,923 1.0 CO COM 2,888 TYLER 90.03 260,006 171.23 494,512 2.6 TECHNOLOGIES INC COM 1,682 ULTIMATE 151.72 255,199 204.39 343,784 1.8 SOFTWARE GROUP INC COM 4,890 UNDER ARMOUR INC 16.69 81,627 33.86 165,575 0.9 - CLASS C 4,856 UNDER ARMOUR INC 17.58 85,391 38.68 187,830 1.0 CL A 3,383 VARIAN MED SYS INC 74.77 252,952 99.53 336,710 1.8 COM 5,079 VERISK ANALYTICS 62.77 318,826 81.28 412,821 2.2 INC COM 2,630 WABTEC CORP COM 47.44 124,756 81.65 214,739 1.1 1,337 WATSCO INC COM 136.86 182,978 140.90 188,383 1.0 INC COM 13,700,402 18,624,326 98.1  CASH AND EQUIVALENTS ACCRUED DIVIDENDS 4,955 0.0 CASH ACCOUNT 358,816 358,816 1.9	•							0.8
5,144 STERIS PLC SHS USD 74.15 381,438 73.10 376,026 2.0 2,716 TRACTOR SUPPLY 46.82 127,158 67.35 182,923 1.0 CO COM 2,888 TYLER 90.03 260,006 171.23 494,512 2.6 TECHNOLOGIES INC COM 1,682 ULTIMATE 151.72 255,199 204.39 343,784 1.8 SOFTWARE GROUP INC COM 4,890 UNDER ARMOUR INC 16.69 81,627 33.86 165,575 0.9 CLASS C 4,856 UNDER ARMOUR INC 17.58 85,391 38.68 187,830 1.0 CL A 3,383 VARIAN MED SYS INC 74.77 252,952 99.53 336,710 1.8 COM 5,079 VERISK ANALYTICS 62.77 318,826 81.28 412,821 2.2 INC COM 2,630 WABTEC CORP COM 47.44 124,756 81.65 214,739 1.1 1,337 WATSCO INC COM 136.86 182,978 140.90 188,383 1.0 4,410 WILLIAMS SONOMA 68.23 300,883 51.08 225,263 1.2 INC COM 13,700,402 18,624,326 98.1 CASH AND EQUIVALENTS ACCRUED DIVIDENDS 4,955 0.0 CASH ACCOUNT 358,816 358,816 1.9		TECHNOLOGIES						
2,716 TRACTOR SUPPLY		HLDGS INC COM						
CO COM 2,888 TYLER 90.03 260,006 171.23 494,512 2.6 TECHNOLOGIES INC COM 1,682 ULTIMATE 151.72 255,199 204.39 343,784 1.8 SOFTWARE GROUP INC COM 4,890 UNDER ARMOUR INC 16.69 81,627 33.86 165,575 0.9 - CLASS C 4,856 UNDER ARMOUR INC 17.58 85,391 38.68 187,830 1.0 CL A 3,383 VARIAN MED SYS INC 74.77 252,952 99.53 336,710 1.8 COM 5,079 VERISK ANALYTICS 62.77 318,826 81.28 412,821 2.2 INC COM 1,037 WATSCO INC COM 136.86 182,978 140.90 188,383 1.0 4,410 WILLIAMS SONOMA 68.23 300,883 51.08 225,263 1.2 INC COM 13,700,402 18,624,326 98.1  CASH AND EQUIVALENTS ACCRUED DIVIDENDS 4,955 4,955 0.0 CASH ACCOUNT 358,816 358,816 1.9								1.5
2,888 TYLER 90.03 260,006 171.23 494,512 2.6 TECHNOLOGIES INC COM  1,682 ULTIMATE 151.72 255,199 204.39 343,784 1.8 SOFTWARE GROUP INC COM  4,890 UNDER ARMOUR INC 16.69 81,627 33.86 165,575 0.9 - CLASS C	2,716		46.82	127,158	67.35	182,923	1.0	1.4
TECHNOLOGIES INC COM  1,682 ULTIMATE 151.72 255,199 204.39 343,784 1.8 SOFTWARE GROUP INC COM  4,890 UNDER ARMOUR INC 16.69 81,627 33.86 165,575 0.9 - CLASS C  4,856 UNDER ARMOUR INC 17.58 85,391 38.68 187,830 1.0 CLA  3,383 VARIAN MED SYS INC 74.77 252,952 99.53 336,710 1.8 COM  5,079 VERISK ANALYTICS 62.77 318,826 81.28 412,821 2.2 INC COM  2,630 WABTEC CORP COM 47.44 124,756 81.65 214,739 1.1 1,337 WATSCO INC COM 136.86 182,978 140.90 188,383 1.0 4,410 WILLIAMS SONOMA 68.23 300,883 51.08 225,263 1.2 INC COM  CASH AND EQUIVALENTS  ACCRUED DIVIDENDS 4,955 4,955 0.0 CASH ACCOUNT 358,816 1.9	0.000		00.00	000 000	474.00	101.510		
COM 1,682 ULTIMATE 151.72 255,199 204.39 343,784 1.8 SOFTWARE GROUP INC COM 4,890 UNDER ARMOUR INC 16.69 81,627 33.86 165,575 0.9 - CLASS C 4,856 UNDER ARMOUR INC 17.58 85,391 38.68 187,830 1.0 CL A 3,383 VARIAN MED SYS INC 74.77 252,952 99.53 336,710 1.8 COM 5,079 VERISK ANALYTICS 62.77 318,826 81.28 412,821 2.2 INC COM 2,630 WABTEC CORP COM 47.44 124,756 81.65 214,739 1.1 1,337 WATSCO INC COM 136.86 182,978 140.90 188,383 1.0 4,410 WILLIAMS SONOMA 68.23 300,883 51.08 225,263 1.2 INC COM 13,700,402 18,624,326 98.1  CASH AND EQUIVALENTS ACCRUED DIVIDENDS 4,955 4,955 0.0 CASH ACCOUNT 358,816 358,816 1.9	2,888		90.03	260,006	1/1.23	494,512	2.6	0.0
1,682 ULTIMATE SOFTWARE GROUP INC COM 4,890 UNDER ARMOUR INC 16.69 81,627 33.86 165,575 0.9 - CLASS C 4,856 UNDER ARMOUR INC 17.58 85,391 38.68 187,830 1.0 CL A 3,383 VARIAN MED SYS INC 74.77 252,952 99.53 336,710 1.8 COM 5,079 VERISK ANALYTICS 62.77 318,826 81.28 412,821 2.2 INC COM 2,630 WABTEC CORP COM 47.44 124,756 81.65 214,739 1.1 1,337 WATSCO INC COM 136.86 182,978 140.90 188,383 1.0 4,410 WILLIAMS SONOMA 68.23 300,883 51.08 225,263 1.2 INC COM 13,700,402 18,624,326 98.1  CASH AND EQUIVALENTS ACCRUED DIVIDENDS 4,955 4,955 0.0 CASH ACCOUNT 358,816 358,816 1.9								
SOFTWARE GROUP INC COM  4,890 UNDER ARMOUR INC 16.69 81,627 33.86 165,575 0.9  4,856 UNDER ARMOUR INC 17.58 85,391 38.68 187,830 1.0  CL A  3,383 VARIAN MED SYS INC 74.77 252,952 99.53 336,710 1.8  COM  5,079 VERISK ANALYTICS 62.77 318,826 81.28 412,821 2.2  INC COM  2,630 WABTEC CORP COM 47.44 124,756 81.65 214,739 1.1  1,337 WATSCO INC COM 136.86 182,978 140.90 188,383 1.0  4,410 WILLIAMS SONOMA 68.23 300,883 51.08 225,263 1.2  INC COM  13,700,402 18,624,326 98.1  CASH AND EQUIVALENTS  ACCRUED DIVIDENDS 4,955 4,955 0.0  CASH ACCOUNT 358,816 358,816 1.9	1 682		151 72	255 100	204.30	3//3 78/	1.9	0.0
INC COM	1,002		131.12	200,100	204.55	343,104	1.0	0.0
4,890       UNDER ARMOUR INC - CLASS C       16.69       81,627       33.86       165,575       0.9         4,856       UNDER ARMOUR INC CLA       17.58       85,391       38.68       187,830       1.0         3,383       VARIAN MED SYS INC COM       74.77       252,952       99.53       336,710       1.8         5,079       VERISK ANALYTICS INC COM       62.77       318,826       81.28       412,821       2.2         INC COM       WABTEC CORP COM       47.44       124,756       81.65       214,739       1.1         1,337       WATSCO INC COM       136.86       182,978       140.90       188,383       1.0         4,410       WILLIAMS SONOMA G8.23       300,883       51.08       225,263       1.2         INC COM       13,700,402       18,624,326       98.1     CASH AND EQUIVALENTS  ACCRUED DIVIDENDS CASH ACCOUNT  358,816  358,816  358,816  1.9								
- CLASS C 4,856 UNDER ARMOUR INC 17.58 85,391 38.68 187,830 1.0 CL A 3,383 VARIAN MED SYS INC 74.77 252,952 99.53 336,710 1.8 COM 5,079 VERISK ANALYTICS 62.77 318,826 81.28 412,821 2.2 INC COM 2,630 WABTEC CORP COM 47.44 124,756 81.65 214,739 1.1 1,337 WATSCO INC COM 136.86 182,978 140.90 188,383 1.0 4,410 WILLIAMS SONOMA 68.23 300,883 51.08 225,263 1.2 INC COM 13,700,402 18,624,326 98.1  CASH AND EQUIVALENTS ACCRUED DIVIDENDS 4,955 4,955 0.0 CASH ACCOUNT 358,816 1.9	4,890		16.69	81,627	33.86	165,575	0.9	0.0
CL A 3,383 VARIAN MED SYS INC 74.77 252,952 99.53 336,710 1.8 COM 5,079 VERISK ANALYTICS 62.77 318,826 81.28 412,821 2.2 INC COM 2,630 WABTEC CORP COM 47.44 124,756 81.65 214,739 1.1 1,337 WATSCO INC COM 136.86 182,978 140.90 188,383 1.0 4,410 WILLIAMS SONOMA 68.23 300,883 51.08 225,263 1.2 INC COM 13,700,402 18,624,326 98.1  CASH AND EQUIVALENTS ACCRUED DIVIDENDS 4,955 4,955 0.0 CASH ACCOUNT 358,816 358,816 1.9	ŕ			•		·		
3,383 VARIAN MED SYS INC COM COM COM COM COM COM COM COM COM CO	4,856	UNDER ARMOUR INC	17.58	85,391	38.68	187,830	1.0	0.0
COM 5,079 VERISK ANALYTICS 62.77 318,826 81.28 412,821 2.2  1,000 VABTEC CORP COM 47.44 124,756 81.65 214,739 1.1 1,337 WATSCO INC COM 136.86 182,978 140.90 188,383 1.0 4,410 WILLIAMS SONOMA 68.23 300,883 51.08 225,263 1.2  INC COM 13,700,402 18,624,326 98.1  CASH AND EQUIVALENTS ACCRUED DIVIDENDS 4,955 4,955 0.0 CASH ACCOUNT 358,816 358,816 1.9								
5,079 VERISK ANALYTICS 62.77 318,826 81.28 412,821 2.2 INC COM  2,630 WABTEC CORP COM 47.44 124,756 81.65 214,739 1.1 1.337 WATSCO INC COM 136.86 182,978 140.90 188,383 1.0 4,410 WILLIAMS SONOMA 68.23 300,883 51.08 225,263 1.2 INC COM  13,700,402 18,624,326 98.1  CASH AND EQUIVALENTS  ACCRUED DIVIDENDS 4,955 4,955 0.0 CASH ACCOUNT 358,816 1.9	3,383		74.77	252,952	99.53	336,710	1.8	0.0
INC COM   2,630   WABTEC CORP COM   47.44   124,756   81.65   214,739   1.1   1,337   WATSCO INC COM   136.86   182,978   140.90   188,383   1.0   4,410   WILLIAMS SONOMA   68.23   300,883   51.08   225,263   1.2     13,700,402   18,624,326   98.1								
2,630   WABTEC CORP COM   47,44   124,756   81.65   214,739   1.1	5,079		62.77	318,826	81.28	412,821	2.2	0.0
1,337 WATSCO INC COM 136.86 182,978 140.90 188,383 1.0 4,410 WILLIAMS SONOMA 68.23 300,883 51.08 225,263 1.2 INC COM 13,700,402 18,624,326 98.1  CASH AND EQUIVALENTS	2 620		17.11	104 756	04.66	244 720	4.4	0.5
4,410 VILLIAMS SONOMA INC COM       68.23       300,883       51.08       225,263       1.2         CASH AND EQUIVALENTS								0.5 2.4
INC COM	.,							2.9
CASH AND EQUIVALENTS     4,955     4,955     0.0       CASH ACCOUNT     358,816     358,816     1.9	7,710		00.20	500,000	01.00	220,200	1,2	2.0
CASH AND EQUIVALENTS           ACCRUED DIVIDENDS         4,955         4,955         0.0           CASH ACCOUNT         358,816         358,816         1.9			_	13 700 402	_	18 624 326	98.1	0.6
ACCRUED DIVIDENDS         4,955         4,955         0.0           CASH ACCOUNT         358,816         358,816         1.9				13,700,702		10,024,020	50.1	0.0
ACCRUED DIVIDENDS         4,955         4,955         0.0           CASH ACCOUNT         358,816         358,816         1.9	CASH AND EQU	IIVALENTS						
The state of the s				4,955		4,955	0.0	0.0
363,772 363,772 1.9		CASH ACCOUNT		358,816	_	358,816	1.9	0.0
				363,772		363,772	1.9	0.0
				•		,		
TOTAL PORTFOLIO 14,064,174 18,988,097 100.0	TOTAL PORTEC	DLIO		14,064.174		18.988.097	100.0	0.6

# Henderson Geneva Capital Management PORTFOLIO APPRAISAL

## Bay County Employees' Retirement System XXXX9057 (bcers)

September 30, 2016

		Unit	Total		Market	Pct.	
Quantity	Security	Cost	Cost	Price	Value	Assets	Yield

The enclosed reports include account information such as asset allocation, performance, trade activity, and holdings. Please notify Henderson Geneva Capital Management ("HGCM") immediately at 414-224-6002 or MKEOperations@henderson.com if there have been any material changes related to the financial information presented.

We encourage you to compare these reports with information provided by the independent custodian for your account(s). If you are not receiving periodic statements directly from your custodian, you should notify us immediately. Please note that the market value on HGCM reports may differ from the statement provided by your custodian due to cut-off date, unsupervised assets (if applicable), pricing, or deposits/withdrawals. HGCM has no responsibility to act on any holdings designated as unsupervised holdings until instructions are received from the client. For tax purposes, refer to custodian records and consult with your tax advisor. HGCM reports should not be relied upon for tax purposes. Cost basis and gain/loss detail is provided for informational purposes only and may differ from custodian records. Please reference your custodial statement for the yield on money market fund(s). Sector information is based on data provided by Russell Index Services. Frank Russell Company is the source and owner of the Russell index data contained or reflected in this material and all trademarks and copyrights related thereto. Frank Russell is not responsible for the formatting or configuration of this material or for any inaccuracy in HGCM's presentation thereof. Past performance is not indicative of future results. One cannot invest directly in an index. This is a presentation of HGCM and contains confidential information. Unauthorized use, disclosure, copying, dissemination or redistribution is strictly prohibited. Henderson Geneva Capital Management is the name under which Geneva Capital Management advisory services.

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# Henderson Geneva Capital Management PERFORMANCE HISTORY NET OF FEES

### Bay County Employees' Retirement System XXXX9057 (bcers)

From 12-31-2015 to 09-30-2016

### Percent Return

			Per Period		
Tim	e P	eriod	Total Account	Equities	Russell Midcap Growth Index
12-31-2015	to	01-31-2016	-5.72	-5.71	-7.57
01-31-2016	to	02-29-2016	-1.41	-1.47	1.57
02-29-2016	to	03-31-2016	6.71	7.10	7.14
03-31-2016	to	04-30-2016	0.25	0.43	-0.06
04-30-2016	to	05-31-2016	3.17	3,29	1.64
05-31-2016	to	06-30-2016	-0.52	-0.54	-0.02
06-30-2016	to	07-31-2016	2.03	2.28	4.95
07-31-2016	to	08-31-2016	0.05	0.05	-0.29
08-31-2016	to	09-30-2016	-1.84	-1.88	-0.05
Date to				0.00	0.04
12-31-2015	to	09-30-2016	2.26	3.09	6.84

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### 4

# Henderson Geneva Capital Management PERFORMANCE HISTORY NET OF FEES

### Bay County Employees' Retirement System XXXX9057 (bcers)

From 01-17-2013 to 09-30-2016

	Percent Return Per Period			
Time Period	Total Account	Equities	Russell Midcap Growth Index	
01-17-2013 to 12-31-2013	25.11	26.17	29.97	
12-31-2013 to 12-31-2014	4.96	6.21	11.90	
12-31-2014 to 12-31-2015	3.99	4.61	-0.20	
12-31-2015 to 09-30-2016	2.26	3.09	6.84	
Date to Date				
01-17-2013 to 09-30-2016	39.64	44.51	55.07	
Annualized	9,44	10.46	12.58	

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## BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM

Small Cap Value		Tota	l Market V	7alue: \$9,00	04,145 (1.6	% Cash)	1	Quarter Ended Septemb	per 30, 2016
Perform	ance Returns -	Gross of Fe	es			Weig	hted Avera	age Portfolio Characteristics	
The state of the s	MTD	QTD	YTD	Since Incept				Portfolio Rus 2000 V	Rus 2000
Portfolio - Total Return	0.79 %	8.55 %	2.40 %	9.10 %	Projected P/	E (FY2)		12.4x 15.1x	16.5x
					Price / Normal Earnings			8.4x 14.9x	17.6x
Russell 2000 Value Index	0.79	8.87	15.49	7.84	Price / Cash	Flow		6.2x 7.9x	9.5x
Russell 2000 Index	1.12	9.04	11.46	8.10	Price / Book			1.1x $1.4x$	2.0×
S&P 500 Index	0.02	3.85	7.84	7.96	Dividend Yi	eld		1.6% 2.2%	1.5%
					Market Capi	talization	(mm)	\$2,346 \$1,742	\$1,878
Commencement of portfolio: 12/1/03. Periods over one year are average annualized returns. # of Holdings / 1-Yr Turnover 60 / 32%									
Top and Bottom Five Contributors to Performance Trading Data Top Ten Holdings - Total Portfolio						Coccession and Comment of the Commen			
	Avg Wgt	Ttl Ret.	Contr.	Major Buy	(Sell) *Newbuy/	final sell	+/-		End Wgt
ARRIS International PLC	4.75 %	35.16 %	1.42 %	CNO Finan	cial Group Inc	:-	2.0% *	Rush Enterprises Inc.	5.0 %
Matson Inc.	3.87	24.13	0.91	First Hawa	iian Inc.		1.0% *	Horace Mann Educators	5.0
EnPro Industries Inc.	3.38	28.49	0.86		International		1.0% *	ARRIS International PLC	4.8
Popular Inc.	3.10	30.94	0.81		troleum Corp.		0.8% *	EnPro Industries Inc.	3.9
ON Semiconductor Corp.	2.05	39.68	0.72		Butterfield & S		0.7% *	KBR Inc.	3.7
Tutor Perini Corp.	3.08 %	-8.83 %	-0.28 %	•	onductor Corp	.)	-0.7%	Matson Inc.	3.6
LifePoint Health Inc.	2.74	-9.39	-0.29	(Matson Inc	,		-0.9%	Popular Inc.	3.3
NRG Energy Inc.	1.23	-25.06	-0.36	•	ok Hotel Trust)		-1.0%	Office Depot Inc.	3.1
Real Industry Inc.	1.92	-21.24	-0.44	`	naceutical Ind	s.)	-1.2% *	Tutor Perini Corp.	2.8
GEO Group Inc.	2.56	-29.10	-0.87	(QLogic Co	rp.)		-2.4% *	Sonic Automotive Inc.	2.8
	I	erformance						Top Ten Industries - Tot	al Portfolio
	Portfoli	o	Russell 200	0 Value	A	llocation			
	Avg Wgt E	qu. Ret. A	Avg Wgt	Equ. Ret.	Sector	Stock	<u>Total</u>		End Wgt
Information Technology	11.25 %	27.45 %	10.41 %	18.18 %	0.06	0.99	1.05	Banks	13.0 %
Industrials	26.90	12.38	12.41	12.17	0.46	0.06	0.52	Insurance	12.8
Consumer Discretionary	10.09	10.27	10.75	6.36	0.00	0.41	0.41	Machinery	7.1
Financials	27.72	11.87	29.96	10.71	-0.01	0.24	0.23	Construction & Engineering	
Energy	3.36	9.81	4.92	7.68	0.11	0.07	0.17	Specialty Retail	6.4
Consumer Staples	0.00	0.00	2.95	5.29	0.11	0.00	0.11	Communications Equip.	6.3
Telecommunication Services	0.00	0.00	0.74	-1.12	0.08	0.00	0.08	Trading Cos & Distributors	5.0
Utilities	5.44	-11.28	7.16	-5.12	0.25	-0.39	-0.14	Health Care Prov. & Srvcs	4.5
Real Estate	5.18	-14.00	11.38	2.78	0.44	-0.99	-0.55	Equity REITs	4.3
Materials	3.44	-10.41	4.60	12.79	-0.04	-0.85	-0.88	Electric Utilities	3.8
Health Care	6.63	-3.32	4.73	14.38	0.10	-1.20	-1.10		
					1.56	-1.67	-0.11		

Returns are calculated using daily holding information, gross of fees. Performance attribution returns can differ from actual client portfolio returns due to data differences, cash flows, trading, and other activity.

## September 30, 2016

<u>Assets</u>		<b>Transactions Summary</b>				
Total Market Value:	\$9,004,145	Total Purchases:	\$902,261			
		Total Sales:	\$706,533			
Total Equity Value:	\$8,848,869	Total Commissions:	\$1,848			
Total Cash Value:	\$147,965	Average Transaction Cost/Share:	\$0.019			
Total Accrued Value:	\$7,311					
% Cash of Portfolio:	1.6%					

### **Performance Returns**

Commencement of Portfolio December 1, 2003

	MTD	QTD	YTD	<u>1 Yr</u>	3 Yrs	<u>5 Yrs</u>	<u>10 Yrs</u>	Since Inception
Portfolio - Total Return	0.79 %	8.55 %	2.40 %	5.78 %	6.80 %	18.44 %	8.03 %	9.10 %
Russell 2000 Value Index	0.79	8.87	15.49	18.80	6.77	15.45	5.78	7.84
Russell 2000 Index	1.12	9.04	11.46	15. <del>4</del> 6	6.71	15.82	7.07	8.10
S&P 500 Index	0.02	3.85	7.84	15.43	11.16	16.37	7.24	7.96

Periods over one year are average annualized returns Performance shown gross of fees Past performance is no guarantee of future performance

Date range covered: 07/01/2016 to 09/30/2016 Location(s): Hotchkis & Wiley Capital Management, LLC Institution Account(s): 1122 Bay Counties Emp Retirement System

### Office Depot, Inc.

Meeting Date: 07/13/2016

Country: USA

Primary Security ID: 676220106

Meeting ID: 1073879

Record Date: 06/09/2016

Meeting Type: Annual

Ticker: ODP

Primary CUSIP: 676220106

Primary ISIN: US6762201068

Primary SEDOL: 2655981

Shares Voted: 71,800

Votable Shares: 71,800

Shares on Loan: 1,600

Shares Instructed: 71,800

Total Ballots: 1

Proposal Number	Proposal Text		Proponent	Mgmt Rec	ISS Rec		Yo Ins	te truction	
1a	Elect Director Roland C. Smith	1	Mgmt	For	For		Fox	•	
ib	Elect Director Warren F. Bryant		Mgmt	For	For		Fox	-	
1c	Elect Director Rakesh Gangwa	al	Mgmt	For	For		For	•	
1d	Elect Director Cynthia T. Jami	ison	Mgmt	For	For		For	-	
1e	Elect Director V. James Marin	0	Mgmt	For	For		Fo	-	
1f	Elect Director Francesca Ruiz	de Luzuriaga	Mgmt	For	For		Fo	For	
1g	Elect Director Michael J. Massey		Mgmt	For	For		Fo	r	
1ի	Elect Director David M. Szymanski		Mgmt	For	For	For For		r	
1ì	Elect Director Nigel Travis		Mgmt	For	For		Fo	For	
1j	Elect Director Joseph S. Vassi	aliuzzo	Mgmt	For	For		Fo	r	
2	Ratify Deloitte & Touche LLP	as Auditors	Mgmt	For	For		Fo	r	
3	Advisory Vote to Ratify Name Officers' Compensation	d Executive	Mgmt	For	For		Fo	r	
Ballot D	Details								
	onal Account Detail e, IA Number)	Custodian Account Humber	Bailot Status	Instructor Name	Date Instructed	Approver Name	Date Approved	Yotable Shares	Shares Voted
1122 8ey 1122	Counties Emp Retirement System,	2622536	Confirmed	vwade	06/22/2016	vwade	06/22/2016	71,890	71,800
1177							Total Shares:	71,800	71,800

### Xura, Inc.

Meeting Date: 08/16/2016	Country: USA	Primary Security ID: 98420V107	Meeting ID: 1078574
Record Date: 07/11/2016	Meeting Type: Annual	Ticker: MESG	
Primary CUSIP: 98420V107	Primary ISIN: US98420V1070	Primary SEDOL: BZ0K7J2	

Date range covered: 07/01/2016 to 09/30/2016 Location(s): Hotchkis & Wiley Capital Management, LLC

Institution Account(s): 1122 Bay Counties Emp Retirement System

### Xura, Inc.

		Shares Voted: 0	Votal	ble Shares: 0		Shares on Loa	n: 3,390	Shares Instructed: 0	
rotal Ballo	ots: 1			and the same of					
Proposal Number	Proposal Text		Proponent	Mgmt Rec	ISS Rec			Vote Instruction	
1	Approve Merger Agreement		Mgmt	For	For			For	
2a	Elect Director Susan D. Bowick		Mgmt	For	For			For	
2b	Elect Director James Budge		Mgmt	For	For	•		For	
2c	Elect Director Niccolo De Masi		Mgmt	For	For			For	
2d	Elect Director Matthew A. Drap	kin	Mgmt	For	For			For	
2e	Elect Director Doron Inbar		Mgmt	For	For			For	
2f	Elect Director Henry R. Nothhai	ft	Mgmt	For	For			For	
<b>2</b> g	Elect Director Philippe Tartavull	I	Mgmt	For	For			For	
2h	Elect Director Mark C. Terrell		Mgmt	For	For			For	
3	Ratify Kesselman & Kesselman	as Auditors	Mgmt	For	For			For	
4	Adjourn Meeting		Mgmt	For	For			For	
Ballot D	etails								
	onal Account Detail e, IA Number)	Custodian Account Humber	Bailot Status	Instructor Name	Date Instructed	Approver Name	Date Approved	Votable Shares	Shares Voted
1122 Bay	Counties Emp Retirement System,	2622536	Approved	wade	08/03/2016	vwade	08/03/2016	0	0
							Total Shares:	0	

### Global Indemnity nlc

Ordinary Shares

	at The tunicy bic			na grant aguar an an an taghad an matain ma a dha ch aguar a				
	Date: 09/14/2016	Country: Ireland			Security ID: G39319101	Meeting ID: 1079176		
Record Date: 07/12/2016 Meeting Type:		Meeting Type: Special		Ticker:				
Primary CUSIP: 90933T109 Primary ISIN: IE			35NH3H04 Primary SEDOL: B5NH3H0			Description of the second of t		
		Shares Voted: 300		table Shares: 300	Shares on Loant 6,741	Shares Instructed: 300		
Total Balk								
Proposal						Vote		
Number	Proposal Text	Pr	oponent	Mgmt Rec	ISS Rec	Instruction		
1	Approve EGM Scheme of Arran Proposal	gement M	gmt	For	For	For		
2	Approve Reduction of Share Ca	epital M	gmt	For	For	For		
	Approve the Acquisition of GI I		qmt	For	For	For		

Date range covered: 07/01/2016 to 09/30/2016 Location(s): Hotchkis & Wiley Capital Management, LLC Institution Account(s): 1122 Bay Counties Emp Retirement System

### **Global Indemnity plc**

Proposal Number	Proposal Text		Proponent	Mgmt Rec	ISS Rec			Vote Instruction	
4	Approve Authorization of Directors to Allot GI Ireland Ordinary Shares to GI Cayman		Mgmt	For	For			For	
5	Approve Application of Reserves		Mgmt	For	For			For	
6	Amend Memorandum of Association		Mgmt	For	For		For		
7	Amend Articles		Mgmt	For	For			For	
8	Adjourn Meeting		Mgmt	For	For			For	
Bailot D	etails								
	onal Account Detail a, IA Number)	Custodian Account Number	Ballot Status	Instructor Name	Date Instructed	Approver Name	Date Approved	Votable Shares	Shares Voted
1122 Bay (	Counties Emp Retirement System,	2622536	Confirmed	vwade	09/06/2016	vwade	09/06/2016	300	300
							Total Shares:	300	300

## **Global Indemnity plc**

Meeting Date: 09/14/2016	
Record Date: 07/12/2016	

Country: Ireland Meeting Type: Court

Shares Voted: 300

Primary Security ID: G39319101

Meeting ID: 1079186

Ticker: GBLI

Votable Shares: 300

Primary CUSIP: 90933T109

Primary ISIN: IE0085NH3H04

Primary SEDOL: BSNH3H0

Shares Instructed: 300

Total Ballots: i

Proposal Number	Proposal Text		Proponent	Mgmt Rec	ISS Rec			Vote Instruction		
1	Proposal		Mgmt	For	For			For		
2			Mgmt	For	For			For		
Ballot D	etails									
	nal Account Detail e, IA Number)	Custodian Account Number	Ballot Status	Instructor Name	Date Instructed	Approver Name	Date Approved	Votable Shares	Shares Voted	
1122 Bay	Counties Emp Retirement System,	2622536	Confirmed	vwede	09/06/2016	vwade	09/06/2016	300	300	
1122							Total Shares:	300	300	

Date range covered: 07/01/2016 to 09/30/2016 Location(s): Hotchkis & Wiley Capital Management, LLC Institution Account(s): 1122 Bay Counties Emp Retirement System

## **Great Plains Energy Incorporated**

Meeting Date: 09/26/2016

Country: USA

Primary Security ID: 391164100

Shares on Loan: 0

Meeting ID: 1085703

Record Date: 08/24/2016

Meeting Type: Special

Shares Voted: 7,300

Ticker: GXP

Votable Shares: 7,300

Primary CUSIP: 391164100

Primary ISIN: US3911641005

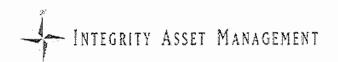
Primary SEDOL: 2483706

Shares Instructed: 7,300

Total Ballots: 1

Proposal Number	Proposal Text		Proponent	Mgmt Rec	ISS Rec			Vote Instruction	
1	Issue Shares in Connection with Merger		Mgmt	For	For			Against	
2	Increase Authorized Common	rized Common Stock Mgmt For For		Abstain					
3	Adjourn Meeting		Mgmt	For	For			For	
Ballot D	etails								
	onal Account Detail e, IA Number)	Custodian Account Number	Ballot Status	Instructor Name	Date Instructed	Approver Name	Date Approved	Votable Shares	Shares Voted
1122 Bay (	Counties Emp Retirement System,	2622536	Confirmed	wade	09/13/2016	vwade	09/13/2016	7,300	7,300
							Total Shares:	7,300	7,300

# **Performance Summary**



# Bay County Employees' Retirement System Quarter Ending September 2016

As of 09/30/16	Market Value (\$)	% of Total
Equity	19,138,183.05	98.64
	19,138,183.05	98.64
Cash	209,415.68	1.08
Receivables	20,185.56	0.10
	229,601.24	1.18
Accrued Income/Dividends	33,882.22	0.17
Total	19,401,666.51	100.00

Gross Rate of Return as of 09/30/16 Inception Date 01/03/07		Quarter-to-Date (%)	Year-to-Date (%)	1 Year (%)	3 Years (%)	5 Years (%)	Since Inception (%)
Total Portfolio	1.01	5.60	14.27	18.54	10.08	18.40	8.11
Russell Midcap® Value Index	0.42	4.45	13.72	17.26	10.48	17.35	7.19
Relative Performance	0.59	1.15	0.55	1.28	-0.40	1.05	0.92

# **Sector Allocation**



# Bay County Employees' Retirement System Quarter Ending September 2016

	Sector	Portfolio (%)	Russell Midcap® Value Index (%)	Relative Weight (%)	
•	Consumer Discretionary	9.6	9.6	0.0	
	Consumer Staples	2.9	3.3	-0.4	
	Energy	10.1	10.3	-0.2	
	Financials	17.8	17.6	0.2	
	Health Care	8.4	4.7		
	Industrials	11.2	11.1	0.1	40
	Information Technology	13.2	8.9	4.3	
	Materials	6.4	6.1		
	Real Estate	9.6	15.2	-5.6	
	Telecommunication Services	0.9	1.4	-2.8	
	Utilities	8.8	11.6	-2.0 照期時間開始 1.2	
	Cash	1.2		0.0	
	Investment Funds			)	
	mrootingit rando				

Source: Factset

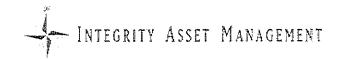
Percentage allocations listed above may not add up to 100% due to rounding methodology.

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Run date: Oct 10 2016, 7:58 PM

# **Characteristics and Top 10 Holdings**



# Bay County Employees' Retirement System Quarter Ending September 2016

Characteristics	Portfolio	Russell Midcap <sup>®</sup> Value Index
Price/Earnings - Forward 12 Months (x)	17.2	18.3
Price/Book (x)	1.9	1.9
Price/Cash Flow (x)	9.7	9.5
Price/Sales (x)	1.4	1.6
Dividend Yield (%)	1.7	2.3
Weighted Average Market Cap (\$ Mil)	10,689.9	12,287.7

	Top 10 Holdings	(%)
ZBH	Zimmer Biomet Holdings Inc	1.61
HRC	Hill-Rom Holdings Inc	1.51
HCN	Weiltower Inc	1.36
DRE	Duke Realty Corp	1.31
IVZ	Invesco Ltd	1.27
MRVL	Marveil Technology Group LTD	1.24
ACGL	Arch Capital Group Ltd	1.22
ALLY	Ally Financial Inc	1.17
PPL	PPL Corp	1.16
WDC	Western Digital Corp	1.16
	Total	13.01

Characteristics Source: Factset

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# Integrity Asset Management Third Quarter 2016 Performance Summary

Third Quarter

Integrity Mid Cap Value Composite:

+5.61%

Russell Midcap Value Index:

+4.45%

Difference

+1.16%

Year to Date

Integrity Mid Cap Value Composite:

+14.24%

Russell Midcap Value Index:

+13.72%

Difference

+0.52%

### Top 5 Holdings:

	6/30/2016			9/30/2016	
Ticker	Name	Weig ht	Ticker	Name	Weight
ZBH	Zimmer Biomet Holdings, Inc.	1.77	ZBH	Zimmer Biomet Holdings, Inc.	1.62
DRE	Duke Realty Corporation	1.71	HRC	Hill-Rom Holdings, Inc.	1.51
HCN	Welltower, Inc.	1.64	HCN	Welltower, Inc.	1.36
PNW	Pinnacle West Capital Corporation	1.57	DRE	Duke Realty Corporation	1.31
PPL	PPL Corporation	1.35	IVZ	Invesco Ltd.	1.27

### Comments:

Hill-Rom Holdings (HRC) and Invesco (IVZ) advanced more than 23% to become top five holdings. We trimmed Pinnacle West (PNW) to take gains. PPL (PPL) underperformed to fall outside of the top five.

### Sector Weights:

	6/30/2016	O/U	9/30/2016	O/U
Consumer Discretionary	9.32	0.95	9.59	-0.05
Consumer Staples	3.99	0.52	2.89	-0.38
Energy	10.24	0.09	10.08	-0.25
Financials	27.33	-5.48	17.83	0.23
Health Care	6.41	1.64	8.35	3.61
Industrials	11.58	0.48	11.21	0.13
Information Technology	10.98	2.77	13.24	4.32
Materials	5.93	-0.15	6.36	0.24
Real Estate	0.00	n/a	9.56	-5.69
Telecom Services	0.98	-0.54	0.87	-0.53
Utilities	10.28	-3.27	8.83	-2.81



#### Comments:

The most significant changes were higher weights to health care and technology, and lower weights to consumer staples and utilities. Laboratory Corporation (LH) and Cooper Companies (COO) are new positions. A recent acquisition that enhances growth, provides a more diversified revenue base, along with cheaper relative valuation should help Laboratory Corporation (LH). Cooper Companies (COO) has a new product cycle, declining capex and cost cutting plans to drive higher future growth. We sold VCA (WOOF) as it is no longer cheap and will face tougher comparisons over the next few quarters.

The higher weight in technology was equal parts outperformance and additions. ARRIS (ARRS) was a new position in communications equipment. Cost synergies from a recent merger and the resumption of service provider capital spending following an M&A driven spending pause, along with an attractive valuation should help ARRIS (ARRS). In semiconductors, ON Semiconductor (ON) and Micron (MU) were purchased. For ON Semiconductor (ON), the pending merger with Fairchild Semiconductor improves product mix, has significant synergies, and is accretive to earnings and cash flow. Lean inventories and better than expected demand are aiding memory and storage markets for Micron (MU). Maxim (MXIM) was sold due to valuation. We purchased Symantec (SYMC) with the proceeds from CSRA (CSRA). Symantec (SYMC) made a strategic acquisition that provides new leadership with a proven history of turning around and improving the growth profile of companies.

Molson Coors Brewing (TAP) was sold to lock in gains amidst speculation that its attempt to acquire the outstanding stake in the MillerCoors JV was in jeopardy. The deal would be accretive with ample cost savings opportunities. Rite Aid (RAD) was sold to fund other opportunities. It is in the midst of being acquired.

In utilities, Westar Energy (WR) was sold after it agreed to a takeover bid with the proceeds going into DTE Energy (DTE). Pinnacle West Capital (PNW) and Atmos Energy (ATO) were trimmed to take gains. However, we did boost our stake in Calpine (CPN), an independent power producer.

In consumer discretionary, slowing sales momentum prompted the sale of Whirlpool (WHR). Some of the proceeds were used to initiate a position in USG (USG). A new CEO, the sale of a low return distribution subsidiary that frees up capital to reduce debt and/or buyback stock should bode well for USG (USG). Aramark (ARMK) and Macy's (M) are new holdings. Aramark (ARMK) is paying down debt and working to improve margins and trades at a discount to peers. Macy's (M) is aggressively shrinking its store base and monetizing real estate. It is also entering the fall season with clean inventories.

Although the weight in energy did not change much, we did exit some holdings and redeployed proceeds into existing stocks such as Baker Hughes (BHI). In materials, Avery Dennison (AVY) was sold due relatively full valuation. We also traded out of more steady companies such as Ashland (ASH) and Eastman Chemical (EMN). Replacements included Albemarle (ALB) and Trinseo (TSE). A divestiture and strong prospects for lithium should augur well for Albemarle (ALB). Trinseo (TSE) is in the midst of using free cash flow to de-lever the balance sheet.

Within industrials, we reduced weights to recent winners in aerospace and defense. We swapped out of J.B. Hunt (JBHT) as it reduced guidance due to slowing sales, in favor of Avis Budget Group (CAR) which is experiencing improving rental pricing, strong demand, and has right-sized its fleet. JetBlue Airways (JBLU) is a new holding as it is decelerating capacity growth and showing improving bookings despite a headwind from Zika.

In financials, the most significant changes were sales of CNO Financial (CNO) and Hanover Insurance Group (THG). Replacements included Lincoln National (LNC) and Cincinnati Financial (CINF). CNO Financial (CNO) suffered from disappointing sales indicating that its turnaround will take longer. A new CEO at Hanover Insurance Group (THG) lowered guidance and hinted it may have to add to reserves. Lincoln National (LNC) should benefit from higher interest rates, while Cincinnati Financial (CINF) should benefit from strong top-line growth within new targeted markets. We took gains in Duke Realty Trust (DRE) and Mack-Cali (CLI). We are 600 basis points underweight REITs.



# Top Contributors/Detractors (Quarter ended 9/30/2016): Contribution to return relative to benchmark

	Best			Worst	
Ticker	Name	Contribution	Ticker	Name	Contribution
MRVL	Marvell Technology Group, Inc.	+0.26	WMB*	Williams Companies, Inc.	-0.15
ATI	Allegheny Technologies Incorp.	+0.25	CNO	CNO Financial Group, Inc.	-0.14
HRC	Hill-Rom Holdings, Inc.	+0.24	TAP	Molson Coors Brewing Comp. Cl B	-0.13
AMAT	Applied Materials, Inc.	+0.18	AAL*	American Airlines Group, Inc.	-0.13
IVZ	Invesco Ltd.	+0.15	GXP	Great Plains Energy Incorporated	-0.13

<sup>\*</sup>not owned

#### Comments:

CNO Financial (CNO) suffered from disappointing sales indicating that its turnaround will take longer. Molson Coors Brewing (TAP) underperformed amidst speculation that its attempt to acquire the outstanding stake in the MillerCoors JV was in jeopardy. The stock rebounded, but after we had sold it. For the quarter, utilities were a sizeable laggard, down 6%. Not surprisingly, one of our worst performers was a utility in Great Plains Energy (GXP). Williams Companies (WMB) and American Airlines (AAL) were strong performers that were not owned.

#### Attribution:

Stock selection in technology and financials led to outperformance. Stock selection in industrials and consumer discretionary were detractors. Sector weights contributed due to an overweight in technology and an underweight in utilities. Technology was the best performing sector, while utilities were the worst performing sector. From a style perspective, a higher beta, a lower dividend yield and a smaller market cap aided.

The main source of strength in technology was semiconductors. Our average semiconductor stock was up 27% led by Marvell Technology (MRVL) and Applied Materials (AMAT). Marvell Technology (MRVL) was up 40% as it became current in filing accounting statements, announced the hiring of well-regarded CEO and CFO, and posted better than feared results. Applied Materials (AMAT) beat earnings expectations and raised guidance. The company is well positioned to benefit from several technology inflections in semiconductor and display manufacturing. Additionally, our electronic equipment holdings outperformed.

Within financials, an underweight to REITs contributed as the group lagged. Invesco (IVZ) rebounded 24% as fears related to BREXIT waned and flows turned positive in the quarter. Banks were a small positive led by Zions Bancorporation (ZION). The prospect for higher interest rates, progress on cost containment and continued capital return led to a 24% move.

Utilities were the worst performing sector (-6%) and an underweight was a minor positive. Health care and materials were small positives. Within health care, Hill-Rom Holdings (HRC) climbed on continued improvement in U.S. hospital capex as well as margin improvement from the recent Welch Allen acquisition. In materials, Allegheny Technologies (ATI) rebounded 42% due to improving outlooks for titanium, nickel, and stainless steel as orders remain strong for new aircraft engines.

Not owning some of the better performing machinery and airlines led to modest underperformance in industrials. Huntington Ingalls Industries (HII) was the largest negative. It was a victim of profit taking after reporting an inline quarter coupled with high expectations. EMCOR Group (EME) was a notable standout within industrials as fundamentals have remained solid.

Consumer discretionary was a small negative as our holdings lagged. Sally Beauty Holdings (SBH) was the biggest laggard. Sales comparison deceleration at its Sally Beauty division and lowered gross margin guidance halted the



turnaround momentum. We sold the stock. Overall performance in energy was neutral. An earnings beat and the initial upturn in rig counts helped Nabors Industries (NBR), but this was offset by not owning some of the better performing energy stocks.

#### Outlook:

This year's love had better last
Heaven knows it's high time
And I've been waiting on my own too long
But when you hold me like you do
It feels so right
I start to forget
How my heart gets torn
When that hurt gets thrown
Feeling like you can't go on – David Gray

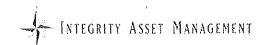
Bond proxies and low volatility stocks have certainly been this year's love. According to the 9/16/16 issue of Grant's Interest Rate Observer, the low volatility ETF, USMV, has attracted \$6.2 billion in net flows this year, bringing its total assets to \$14.4 billion. This is compared to the Vanguard Total Stock Market index Fund which has seen only \$3 billion in net flows bringing its total to \$64.6 billion. The Grant article goes on to suggest that there is over a quarter trillion dollars tied to low volatility stocks, a group whose redeeming feature is not valuation, growth or any fundamentals, but simply the historical volatility of the stock's price. Not, in our opinion, a recipe for long-term investment success.

The flood of money into yield stocks makes a little more sense where interest rates currently reside. However, the move, to us, looks to be overdone and overcrowded. Exhibit one being the announced closing of the \$30 billion Vanguard Dividend Growth Fund (VDIGX) to new investors. According to the company's 7/28/16 press release, the fund's assets have nearly doubled over the last three years.

This year's love of yield and stability has been a headwind for our value strategy. We have been underweight both groups for the last three years based on valuation and the belief that rates are not likely to go below zero. However, given the underperformance of that strategy, we have reduced the underweight from what it was a year ago. Therein lays our dilemma. We are faced with a crowded, overpriced trade, the likes of which we haven't seen since the tech bubble. This year's love is likely to get its heart torn as the song says. These narrow, non-fundamental crowded trades tend to end badly, but timing is the key.

To navigate what we see as an expensive, overcrowded yet high-performing trade, we have worked to strike a balance in the portfolio where we are underweight yield and low volatility but without betting the proverbial farm. We have recently reduced weight in REITS believing the sector was overbought as generalists bought in ahead of it being carved out as its own GICS sector. We continue to look for cracks in the armor. We see the chatter of rising rates in the U.S. as one and the prospects of improved world-wide growth as another. We believe we are positioned for the unwinding of this trade, and we know the playbook to further benefit as it unwinds. We are impatiently waiting for this to develop. Until then, we will actively manage our positioning relative to the market's current obsession as well as seeking out ways to add value on a stock by stock basis.

## Integrity Mid Cap Value Equity Strategy



AGHAGONG	Gos	Netremm	(Senchmank	3yr Annualized Standard Deviation					Total Franchise
	Kenim	e de la companya de		(V) (Compas) (a	(秀) Benchmark	Portfolios	Dispersion	Assets (nun)	Assets (mm)
12/31/2015	-4.97%	-5.78%	-4.78%	12.35%	10.71%	11	0.06%	\$248	\$5,182
12/31/2014	11.94%	11.00%	14.75%	11.43%	9.81%	13	0.23%	\$338	\$5,164
12/31/2013	39.60%	38.45%	33.46%	15.46%	13.69%	12	0.26%	\$325	\$4,816
12/31/2012	18.08%	17.10%	18.51%	18.56%	16.76%	12	0.12%	\$227	\$3,283
12/31/2011	-1.37%	-2.21%	-1.38%	23.71%	22.78%	13	0.08%	\$222	\$3,099
12/31/2010	27.67%	26.62%	24.75%	26.51%	27.11%	20	0.29%	\$302	\$3,269
12/31/2009	31.82%	30.73%	34.21%	23.92%	25.01%	21	0.22%	\$202	\$2,364
12/31/2008	-37.99%	-38.53%	-38.44%	17.77%	18.74%	23	0.58%	\$153	\$1,641
12/31/2007	2.96%	2.10%	-1.42%	9.54%	9.13%	20	0.45%	\$212	\$2,499
12/31/2006	18.42%	17.43%	20.22%	8.67%	8.65%	11	N∕A	\$141	\$2,497

<sup>&</sup>lt;sup>a</sup> Franchise assets are described below

Victory Capital Management Inc. claims compliance with the Global Investment Performance Standards (GPS9) and has prepared and presented this report in compliance with the GPS standards. Victory Capital Management has been independently verified for the period from January 1, 2001 through December 31, 2013. Prior to their acquisition by Victory Capital on October 31, 2014, Munder Capital Management, and its wholly owned subsidiary, Integrity Asset Management has been independently verified for the periods from Juty 1, 2003 through October 31, 2014. Verification assesses whether (1) the firm has completed with all the composite construction requirements of the GPS standards on a firm-wide basis and (2) the firm's posicies and procedures are designed to calculate and present performance in compliance with the GPS standards. The Integrity Mid Cap Value Equity Strategy Composite has been examined for the periods January 1, 2014 through October 31, 2014. The verification and performance examination reports are available upon request.

- Victory Capital Management Inc. is a independent multi-boutique investment advisor registered under the Investment Advisers Act of 1940 and comprised of multiple investment teams, referred to as investment franchises. Each franchise utilizes an independent approach to investing. Victory Capital's investment franchises are: Diversified Equity Management, Expedition investment Partners, INCORE Capital Management, Integrity Asset Management, Munder Capital Management, New Bridge Asset Management, Sycamore Capital and Trivalent Investments. Each investment franchise utilizes an independent approach to investing and offers one or more investment strategies that specialize in a specific asset class intended primarily for institutional citents. Prior to their acquisition by Victory Capital on October 31, 2014, Munder Capital Management and its wholly owned subsidiary, haggily Asset Management, were treated as separate entities for GIPS compliance purposes. Prior to August 2013, Victory Capital Management was a wholly-owned subsidiary of KeyBank National Association. Registration with the SEC does not imply a certain level of skill or training. A list of composite descriptions and policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon
- 3. The Mid Cap Value Equity composite was created in July 2003, and includes all fee-paying, discretionary portfolios that are managed according to the Mid Cap Value Equity strategy. The strategy focuses on mid-cap companies that are currently trading below our estimate of intrinsic value and are characterized by improving investor sentiment. Please Note: The performance data for the period from July 2, 2002 through June 20, 2003, reflects the performance of a registered investment company managed by the portfotio management learn members white at a prior employer. During that period, the portfotio management learn members primarily responsible for the integrity Mtd Cap Value Equity strategy were primarily responsible for the management of the registered investment company. This performance history is gross of all fees charged to investors in the registered investment company, with the exception of transaction costs, and is derived by compounding the monthly returns as reported by Nomingstar. The registered investment company represents the only account managed by the learn in the Mid Cap Value Equity strategy while at their prior employer. For continuity, the Fund's performance has been linked, for the remainder of June 2003, to the performance of the one portfolio managed in the same strategy during this time period by the portfolio managers while at Integrity Asset Management. The Mid Cap Value strategy is managed by thegrity Asset Management, a Victory Capital investment franchise.
- Dispersion within the composite is calculated using the asset-weighted standard deviation of arrural gross-of-fees returns of those portfolios that were included in the composite for the full year. If less than six portfolios are included in the composite for the full year, no dispersion measure is presented, as it is not considered meaningful. The three-year annualized ex-post standard deviation measures the volatity of the composite and the benchmark returns over the preceding 36-month time period. The notation "n.a." (not available) will appear for periods where 36 monthly returns are not available for the composite. Integrity Asset Management's policies for valuing portfolios, calculating performance, and preparing compliant presentations, as well as a complete list of composite descriptions, are available upon request. Please contact Victory Capital at 877-680-4400.
- The benchmark: Russell Midcap® Value Index measures the performance of those Russell Midcap® companies (approximately 800 of the smallest securities in the Russell 3000® Index, which includes the 1,000 largest stocks by market capitalization in the Russell 3000® Index, an index of the top 3,000 U.S. stocks by market capitalization covering 98% of the U.S. equity investable universe) with higher composite value scores. Index performance nformation was furnished by sources deemed reliable and is believed to be accurate; however, no warranty or representation is made as to the accuracy thereof and the information is subject to correction. You cannot invest directly in an index, securities in the Composite may not match those in the index and performance of the Composite will differ. Although reinnestment of dividend and interest payments is assumed, no expenses are netted against an index's return. The benchmark returns are not covered by the report of the independent verifiers.
- 6. Victory Capital Management Inc. firm assets under management as of December 31, 2014 and December 31, 2015 were \$33,679 million and \$30,889 million, respectively, Prior to 10/31/2014, Integrity assets were not included in Victory's firm AUM and are thus Not Applicable. Franchise assets for periods prior to 2014 represent the firm assets of negrity Asset Management when it was a separate firm for GPS compliance purposes prior to the acquisition by Victory Capital. Beginning with 2014 and for prospective periods, franchise assets represent all assets managed by the Integrity Asset Management franchise within Victory Capital. All returns reflect the reinvestment of investment income (dividends and/or interest) and capital gains, and are not of non-reclaimable withholding taxes, if any, Valuations and returns are stated in U.S. dollars. The gross returns shown are based on time-weighted rates of return less transaction costs. The net returns reflect gross performance less model investment management fees, which were derived using the maximum fixed fee rate in effect for the strategy for the respective time period. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size.

Market Value First \$15,000,000 Next \$35,000,000

Annual Fee

0.85% (Min. Annual Fee: \$42,500)

Next \$50,000,000

0.75%

0.65%

Thereafter Past performance is no guarantee of future results.

0.60%

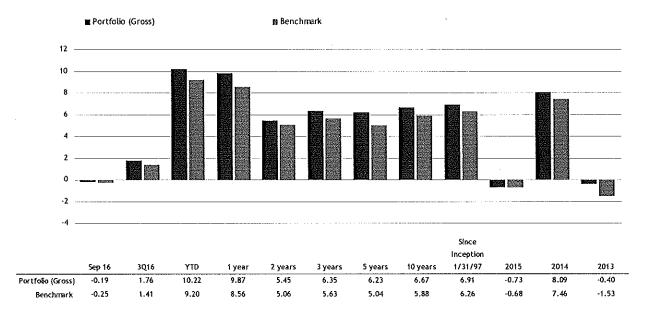
# performance review

july-september 2016

#### MARKET VALUE

TOTAL PRINCIPAL	ACCRUED INCOME	TOTAL PORTFOLIO
\$38,847,349	\$335,988	\$39,183,337

### RETURNS (%)



#### MARKET OVERVIEW

• Investment grade corporates performed well globally during the quarter, led by the UK. After Brexit, the Bank of England (BOE) cut its benchmark lending rate by 25 basis points to ease the potential economic backlash from the country's decision to leave the European Union. The interest rate cut coincided with a rally across the UK gilts yield curve, led by the long end. At 8.7 years, the Sterling Aggregate index has the longest duration, followed by the US Corporate index at 7.5 years and the Euro-Aggregate at 5.4 years. Interest rates across the US yield curve rose during the quarter, but the short end of the curve moved most. The elevated duration component of the US Corporate index hampered total returns, but not drastically. The European Central Bank (ECB) continues to buy investment grade corporates, which is a positive technical for that market. The yield to worst on the Euro-Aggregate rallied to 0.66%, compared with 2.84% on the US Corporate index and 2.26% on the Sterling Aggregate Corporate index.

The current benchmark is Barckys U.S. Corporate Investment Grade. (1) Citigroup Broad Inv-Grade (BIG) from 1/31/1997 to 6/30/1999; Barckys Credit from 6/30/1999 to 2/29/2012; and Barckys U.S. Corporate Investment Grade from 2/29/2012 to 9/30/2016. Returns over one year are annualized. Information is reported on a trade date basis. Data Source: Barckys Capital, Bloomberg



# performance review

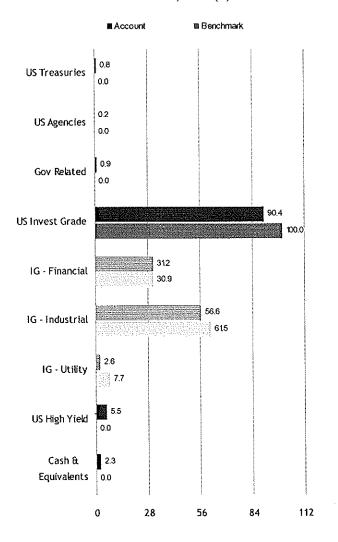
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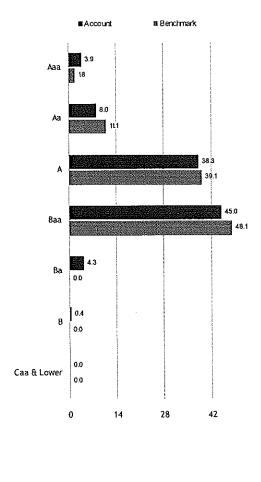
#### **CHARACTERISTICS**

	PORTFOLIO	BENCHMARK
Effective Duration	7.62 years	7.45 years
Average Maturity	10.97 years	10.68 years
Yield	3.04%	2.82%
Average Coupon	4.11%	4.12%
Average Quality	Baa1	Baa1

### SECTOR ANALYSIS AT SEPTEMBER 30, 2016 (%)

### QUALITY ANALYSIS AT SEPTEMBER 30, 2016 (%)





The current benchmark is Barclays U.S. Corporate Investment Grade. For split rated securities in the quality distribution, the higher of Moody and S&P is used. The account's split rating treatment is based on client guidelines. The benchmark follows the vendor's methodology. Equity securities are deemed to base a duration and maturity value of zero. Yield is Yield to Effective Maturity Data Source: Barclays Capital



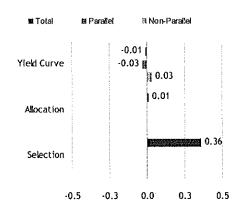
# performance review

july-september 2016

### **CURRENT QUARTER TOTAL RETURNS (%)**

Account Return	1.76
Benchmark Return	1.41
Excess Return	0.35

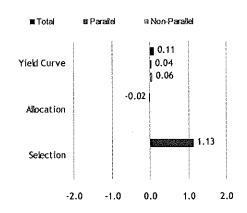
### **CURRENT QUARTER EXCESS RETURN ATTRIBUTION (%)**



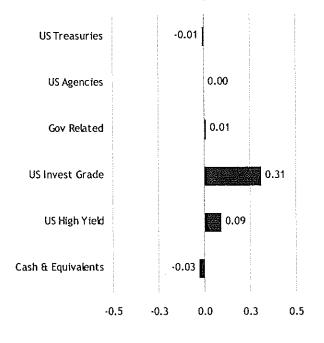
### TRAILING YEAR TOTAL RETURNS (%)

Account Return	9.87
Benchmark Return	8.56
Excess Return	1.30

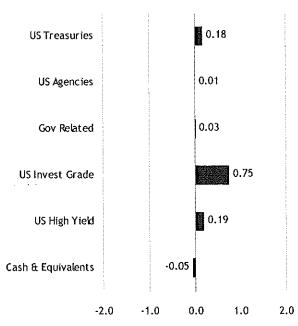
#### TRAILING YEAR EXCESS RETURN ATTRIBUTION (%)



### **EXCESS RETURN ATTRIBUTION BY SECTOR (%)**



### **EXCESS RETURN ATTRIBUTION BY SECTOR (%)**



The Attribution benchmark is Barclays U.S. Corporate Investment Grade. Figures on bar charts may not add up to total excess return as they exclude impact of trading and pricing differences. Attribution account returns are gross of fees. Excess Return by sector excludes yield curve impact. Data Source: Barclays Capital



# corporate bond strategy

july-september 2016

- On average, investment grade (IG) sectors positively impacted performance. Security selection among IG
  industrials contributed the most to relative return. Selected companies within communications, consumer
  non-cyclical, energy and technology aided relative results. Within IG financials, selected domestic and Yankee
  banks benefited performance.
- In general, a small out-of-benchmark weighting to high yield (HY) generated the highest absolute return in the portfolio. Within HY, exposure to industrials had the greatest positive impact on relative return. Selected names from the energy, communications and consumer cyclical sectors added value.
- The government-related sector contributed marginally to absolute and relative performance.
- A small out-of-benchmark allocation to US Treasurys weighed on absolute and relative return as Treasury rates rose and the sector underperformed corporate bonds.

Sector	Investment Themes	Investment Strategies
US Credit	Corporate fundamentals indicate the credit cycle is in the late expansion stage, with strong interest coverage, declining profit growth and increased leverage. We remain modestly constructive on the corporate bond market, particularly relative to US Treasurys. We expect investment grade credit spreads to remain range bound for the next several months but believe there may be modest spread tightening over the next 12 months.	Overall credit risk moderately higher than that of the Index.
Industry Selection	Our industry selection remains cautious on companies where yield advantage does not compensate for credit risk, especially balance sheet leveraging and M&A activity. For this reason we are overweight financials and underweight several industrial sectors.	Top overweights include banking, transportation, and communications. Top underweights include electric utilities and pharmaceuticals. We continue to find attractive opportunities across the banking sector (including yankees) given the increased emphasis on strengthening balance sheets, increasing industry regulation and capital requirements, and the general lack of shareholder friendly activities that many non-bank industries are subject to.
Issue Selection	New issue supply continues to be heavy and may meet or exceed last year's record amount. We continue to find that new issues come at concessions. Our focus remains on credits we believe have strong fundamental credit stories. We are avoiding companies prone to releveraging.	Issue selection is key. We feel the expansion stage will continue to be prolonged and that risk markets are still attractive. Continue to favor new issues but also look for opportunities to purchase older seasoned securities at wider spreads. We may also look for swap opportunities along an individual issuer's credit curve.
Duration and Yield Curve	We believe the next Fed hike will be in December, at earliest. We expect yields will be anchored by global QE and easing monetary policy.	Neutral versus the Index.



# bond market review & outlook

THIRD QUARTER REVIEW JULY-SEPTEMBER 2016

By Craig Burelle, VP, Macro Analyst

Accommodative monetary policies helped make it a fairly calm summer in the markets. Volatility ticked up following the June Brexit vote but quickly faded. In September, a short-lived spike in global interest rates shook risk assets, but the damage was not sustained.

### MUDDLE THROUGH ECONOMICS AREN'T SO BAD

The pace of economic growth in the United States is expected to increase for the third and fourth quarters of this year, but annually, the estimated 1.50% growth rate would be the slowest year-on-year change since the recovery began six years ago. The two-year horizon for economic activity looks neither shining bright nor gloomy and dark. Corporate profits should recover modestly and core inflation will likely remain just under 2.00%, the Federal Open Market Committee (FOMC) long-run objective. This slow economic expansion is potentially favorable for US credit markets, where investors can earn carry over US Treasurys. The FOMC will

### HARAMAYAY S

 The two year horizon for economic activity looks neither shining bright nor gloony and dark

 Risk assets do not necessarily have to sell off as growth plods along.

decordinated monetary and fiscal policy efforts to spur growth could be next, but historically low interest rates are likely to persist.

likely raise the federal funds rate by 25 basis points in December, but the path for rates thereafter is unlikely to be steep. Generally stable macroeconomic indicators suggest long rates, 10- to 30-year maturities, will remain historically low for the next few quarters. The FOMC's policy stance has allowed a pause in the US dollar bull market. Stability in the world's reserve currency continues to support emerging market securities and currencies that suffered during the dollar's ascent.

The outlook for global growth and inflation appears much like the US, with both indicators growing at a slow but steady annual rate for the forecast horizon. The gradual economic slowdown in China has been drag, and we wait to see which regions, countries or sectors can step up as a new global growth engine to fill the void. But risk assets do not necessarily have to sell off as growth plods along. Markets may have moved ahead of fundamentals since they appear to be pricing in positive outcomes that have yet to materialize; however, credit spreads may move sideways to modestly tighter as we wait for fundamentals to catch up.

### ARE MONETARY POLICYMAKERS OUT OF BULLETS?

Extraordinarily low—and in some cases negative—interest rates have not bolstered headline economic growth as many policymakers had hoped. Negative interest rates and steady but slow economic activity in Europe and Japan have given rise to a debate about available policy levers left to pull. Monetary policy has carried all the weight since the global financial crisis while fiscal austerity kept many governments on the sidelines. A transition to fiscal policy would in most cases require new government bond issuance. Speculation over this shift grew slightly hysterical during mid-September, causing a quick spike in global interest rates; by quarter-end, most global yields had returned to pre-spike levels. Developments and comments from officials regarding the use of fiscal policy could be a source of bond market volatility going forward, but is unlikely to present structural and lasting change. Some level of coordinated action between monetary and fiscal policymakers could be the next step. Monetary policies have become increasingly creative over the past few years, and that may continue. In any event, the fundamental economic backdrop suggests that a historically low global interest rate environment will likely persist.

# **BAY COUNTY EMPLOYEES RETIREMENT SYSTEM**



## Portfolio Composition and Performance — Account 1256

September 30, 2016

Composition	Market Value	Percent of Total
Fixed Income	9,229,414	78.84
Equity	2,166,714	18.51
Cash & Equivalents	309,784	2.65
Total Portfolio	\$11,705,912	100.00%

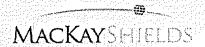
								•
Performance	Latest Month	Latest 3 Months	Year To Date	Latest 12 Months	3 Years Annualized	5 Years Annualized	Since 10/1/2003	Annualized Since 10/1/2003
Total Fund (Gross of fees)	0.56%	5.72%	9.82%	13.79%	7.93%	9.76%	130.98%	6.65%
CUSTOM BENCHMARK!	1.12%	6.02%	8.16%	9.08%	8.17%	10.94%	95.08%	5.27%
CUSTOM BENCHMARK II	1.12%	6.02%	8.16%	9.08%	7.46%	N/A	N/A	N/A

Expressed in USD

Note: Custom Benchmarks consist of BofAML All Convt (Inc Mand) since 8/31/15. Previously, (I) was BofAML Convt Inv Grade Bds (Inc Mand) Index and (II) was BofAML Convt Inv Grade Bds (Inc Mand) 5% Cap Index.

Past performance is not indicative of future results.



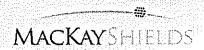


## Summary Report — Account 1256

September 30, 2016

	Total Cost	Percent at Cost	Yield at Cost	Market Value	Percent of Assets	Yield at Market	Annual Income
Bonds	8,138,892	80.88	1.67	9,194,681	78.55	1.48	136,309
Stocks	1,924,365	19.12	0.56				10,820
Cash & Equivalents		0.00		309,784	2.65	0.00	
Accrued Income				39,996	0.34		
Total Portfolio	10,063,257	100.00%	1.46	\$11,705,912	100.00%	1.26	147,129





# ${\bf Broker\ Commission\ Report-Account\ 1256}$

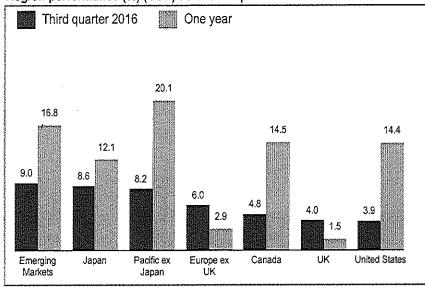
Quarter Ending September 30, 2016

Broker	Broker Commission
JOHNSON RICE RAYMOND JAMES & ASSOCIATES, INC.	
Total	\$7.41



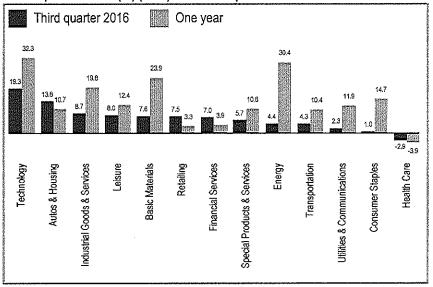
## Market overview

### Region performance (%) (USD) as of 30-Sep-16



Source: FactSet. Region performance based on MSCI regional/country indexes.

### Sector performance (%) (USD) as of 30-Sep-16



Source: FactSet. Sector performance based on MFS sector classification. The analysis of MSCI All Country World (ex-US) Growth Index constituents are broken out by MFS defined sectors.

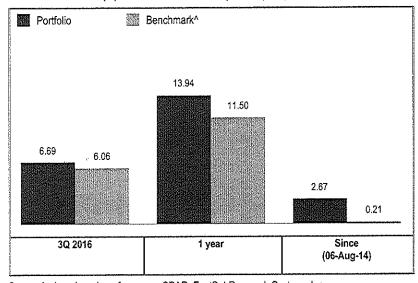
### Market review as of 30-Sep-2016

- While the US Federal Reserve is expected to increase short-term rates by the end of 2016, sluggish growth, muted inflation, and continued policy
  accommodation around the world are likely to continue to suppress global interest rates.
- With a relatively strong US economy, particularly in housing, labor and auto markets, valuations in the US are full but are not excessively stretched. Lower valuations in Europe and Japan are accompanied by weaker economic fundamentals, as well as continued uncertainty surrounding Brexit.
- Continued accommodative monetary policies in developed markets, along with stabilization in global commodity markets, have generally bolstered emerging markets. We believe making generalizations on the Emerging Markets is increasingly difficult due to their varying stages of development, financial conditions and unique political challenges.



# **Executive summary**

Performance results (%) class 1 shares net of expenses (USD) as of 30-Sep-16



Source for benchmark performance: SPAR, FactSet Research Systems Inc.

All periods greater than one year are annualized.

#### Past performance is no guarantee of future results.

For periods prior to the inception date of a unit class, performance information shown for such class is based on the performance of an older class of units that dates back to the Fund's inception, as adjusted to reflect differences in fees paid and expenses incurred by the newer class. Net of expenses performance does not include management fees.

^ MSCI All Country World (ex-US) Growth Index (net div)

#### Asset summary (USD)

• · · · · · · · · · · · · · · · · · · ·	
Beginning value as of 30-Jun-16	25,035,919
Contributions	0
Withdrawals	0
Change in market value	+1,675,656
Ending value as of 30-Sep-16	26,711,575

Sector weights (%) as of 30-Sep-16	Portfolio	Benchmark^^
Top overweights		
Special Products & Services	8.7	4.8
Industrial Goods & Services	9.1	5.3
Health Care	14.6	12.0
Top underweights		
Utilities & Communications	0.9	7.3
Autos & Housing	0.8	4.6
Retailing	5.8	7.6

^^ MSCI All Country World (ex-US) Growth Index

Portfolio and benchmark data shown is based on MFS' sector/industry classification methodology, which differs from the benchmark's.

The MFS Heritage Trust Company CIT - MFS International Growth Fund outperformed the MSCI All Country World (ex-US) Growth Index in the third quarter of 2016.

#### Contributors

- · Industrial Goods & Services Stock selection
- Utilities & Communications Underweight position
- Individual stocks:
- Linde AG
- ARM Holdings PLC
- HSBC Holdings PLC
- Alibaba Group Holding Ltd

### Health Care - Overweight position

- Autos & Housing Underweight position
- · Individual stocks:
- Sundrug

Detractors

- Tencent Holdings Limited (not held)
- Reckitt Benckiser Group PLC



# Performance results

Performance results (%) class 1 shares net of expenses (USD) as of 30-Sep-16			Excess return vs	
Period	Portfolio (%)	Benchmark <sup>^</sup> (%)	benchmark (%)	
3Q 2016	6.69	6.06	0.63	
2Q 2016	0.84	0.46	0.38	
1Q 2016	1.81	-0.34	2.15	
4Q 2015	4.03	5.00	-0.97	
2016 YTD	9.53	6.20	3.33	
2015	1.30	-1.25	2.55	
1 year	13.94	11.50	2.44	
Since client inception (06-Aug-14)	2.67	0.21	2.46	

Source for benchmark performance: SPAR, FactSet Research Systems Inc. All periods greater than one year are annualized.

For periods prior to the inception date of a unit class, performance information shown for such class is based on the performance of an older class of units that dates back to the Fund's inception, as adjusted to reflect differences in fees paid and expenses incurred by the newer class.

Past performance is no guarantee of future results.

Net of expenses performance does not include management fees.

^ MSCI All Country World (ex-US) Growth Index (net div)



### MFS HERITAGE TRUST COMPANY

### CERTIFICATE OF PORTFOLIO COMPLIANCE

### MFS INTERNATIONAL GROWTH FUND

To the best of my knowledge, for the quarter ending September 30, 2016, MFS Heritage Trust Company ("MHTC") – MFS International Growth Fund complied in all material respects with the investment restrictions contained in the Information Memorandum dated October 1, 2015 and August 1, 2016 for the MHTC MFS International Growth Fund. Such certification is subject to the following conditions: (i) MHTC's compliance testing is performed using portfolio valuation reports derived from its internal security inventory system and not the books and records of the Portfolio; and (ii) MHTC is responsible for compliance with the investment restrictions as stated in the Information Memorandum.

MFS HERITAGE TRUST COMPANY

BY: Some 7 and a second and a s

Title: Compliance Officer - Vice President

Dated: October 12, 2016

Date range covered: 07/01/2016 to 09/30/2016 Location(s): Massachusetts Financial Services Institution Account(s): MFS International Growth Fund\*

### **Burberry Group plc**

Meeting Date: 07/14/2016

Country: United Kingdom

Primary Security ID: G1700D105

Meeting ID: 1066300

Record Date: 07/12/2016

Meeting Type: Annual

Ticker: BRBY

Primary CUSIP: G1699R107

Primary ISIN: G80031743007

Primary SEDOL: 3174300

#### Voting Policy: MFS

Proposai Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1	Accept Financial Statements and Statutory Reports	Mgmt	For	For
2	Approve Remuneration Report	Mgmt	For	For
3	Approve Final Dividend	Mgmt	For	For
4	Re-elect Sir John Peace as Director	Mgmt	For	For
5	Re-elect Fabiola Arredondo as Director	Mgmt	For	For
6	Re-elect Philip Bowman as Director	Mgmt	For	For
7	Re-elect Ian Carter as Director	Mgmt	For	For
8	Re-elect Jeremy Darroch as Director	Mgmt	For	For
9	Re-elect Stephanie George as Director	Mgmt	For	For
10	Re-elect Matthew Key as Director	Mgmt	For	For
11	Re-elect Dame Carolyn McCall as Director	Mgmt	For	For
12	Re-elect Christopher Bailey as Director	Mgmt	For	For
13	Re-elect Carol Fairweather as Director	Mgmt	For	For
14	Re-elect John Smith as Director	Mgmt	For	For
15	Reappoint PricewaterhouseCoopers LLP as Auditors	Mgmt	For	For
16	Authorise the Audit Committee to Fix Remuneration of Auditors	Mgmt	For	For
17	Authorise EU Political Donations and Expenditure	Mgmt	For	For
18	Authorise Issue of Equity with Pre-emptive Rights	Mgmt	For	For
19	Authorise Issue of Equity without Pre-emptive Rights	Mgmt	For	For
20	Authorise Market Purchase of Ordinary Shares	Mgmt	For	For
21	Authorise the Company to Call General Meeting with Two Weeks' Notice	Mgmt	For	For

Date range covered: 07/01/2016 to 09/30/2016 Location(s): Massachusetts Financial Services Institution Account(s): MFS International Growth Fund\*

# **Experian plc**

Meeting Date: 07/20/2016

Country: United Kingdom

Meeting Type: Annual

Primary Security ID: G32655105

Meeting ID: 1073374

Record Date: 07/18/2016

- ..

Ticker: EXPN

Primary CUSIP: G32655105

Primary ISIN: GB00819NLV48

Primary SEDOL: 819NLV4

#### Voting Policy: MFS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Yote Instruction
1	Accept Financial Statements and Statutory Reports	Mgmt	For	For
2	Approve Remuneration Report	Mgmt	For	For
3	Elect Luiz Fleury as Director	Mgmt	For	For
4	Re-elect Brian Cassin as Director	Mgmt	For	For
5	Re-elect Roger Davis as Director	Mgmt	For	For
6	Re-elect Deirdre Mahlan as Director	Mgmt	For	For
7	Re-elect Lloyd Pitchford as Director	Mgmt	For	For
8	Re-elect Don Robert as Director	Mgmt	For	For
9	Re-elect George Rose as Director	Mgmt	For	For
10	Re-elect Paul Walker as Director	Mgmt	For	For
11	Re-elect Kerry Williams as Director	Mgmt	For	For
12	Appoint KPMG LLP as Auditors	Mgmt	For	For
13	Authorise Board to Fix Remuneration of Auditors	Mgmt	For	For
14	Authorise Issue of Equity with Pre-emptive Rights	Mgmt	For	For
15	Authorise Issue of Equity without Pre-emptive Rights	Mgmt	For	For
16	Authorise Issue of Equity without Pre-emptive Rights	Mgmt	For	For
17	Authorise Market Purchase of Ordinary Shares	Mgmt	For	For

### **HDFC Bank Limited**

Meeting Date: 07/21/2016 Record Date: 07/14/2016 Country: India Meeting Type: Annual Primary Security ID: Y3119P174

Meeting 1D: 1066634

Primary CUSIP: Y3119P117

Primary ISIN: INE040A01026

Primary SEDOL: 85Q3JZ5

Ticker: HDFCBANK

Date range covered: 07/01/2016 to 09/30/2016 Location(s): Massachusetts Financial Services Institution Account(s): MFS International Growth Fund\*

### **HDFC Bank Limited**

#### Voting Policy: MFS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1	Accept Financial Statements and Statutory Reports	Mgmt	For	For
2	Approve Dividends	Mgmt	For	For
3	Reelect Keki Misty as Director	Mgmt	For	For
4	Reelect Renu Kamad as Director	Mgmt	For	Against
5	Approve Deloitte Haskins & Sells as Auditors and Authorize Board to Fix Their Remuneration	Mgmt	For	For
6	Appoint Umesh Chandra Sarangi as Independent Director	Mgmt	For	For
7	Approve Related Party Transactions with Housing Development Finance Corp. Ltd.	Mgmt	For	For
8	Approve Related Party Transactions with HDB Financial Services Ltd.	Mgmt	For	For
9	Amend Terms of Appointment of Paresh Sukthankar, Deputy Managing Director	Mgmt	For	For
10	Approve Remuneration of Non-Executive Directors	Mgmt	For	For
11	Increase Authorized Share Capital	Mgmt	For	For
12	Amend Memorandum of Association to Reflect Changes in Capital	Mgmt	For	For
13	Authorize Issuance of Perpetual Debt Instruments, Tier II Capital Bonds and Senior Long Term Infrastructure Bonds	Mgmt	For .	For
14	Approve Stock Option Plan Grants	Mgmt	For	For

# ITC Ltd.

Meeting Date: 07/22/2016	Country: India	Primary Security ID: Y4211T171	Meeting ID: 1067001
Record Date: 07/15/2016	Meeting Type: Annual	Ticker: ITC	
			e e e
Primary CUSIP: Y4211T171	Primary ISIN: INE154A01025	Primary SEDOL: B0JGGP5	
ACCUPATION CONTRACTOR AND	arana ang arang ang ang ang ang ang ang ang ang ang		

#### Voting Policy: MFS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1	Accept Financial Statements and Statutory Reports	Mgmt	For	For

Page 3 of 7

Date range covered: 07/01/2016 to 09/30/2016 Location(s): Massachusetts Financial Services Institution Account(s): MFS International Growth Fund\*

# ITC Ltd.

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
2	Approve Dividend	Mgmt	For	For
3	Reelect Nakul Anand as Director	Mgmt	For	For
4	Approve Deloitte Haskins & Sells as Auditors and Authorize Board to Fix Their Remuneration	Mgmt	For	For
5	Elect Sanjiv Puri as Director and Approve His Appointment and Remuneration as Executive Director	Mgmt	For	For
6	Elect Rajiv Tandon as Director and Approve His Appointment and Remuneration as Executive Director	Mgmt	For	For
7	Elect Nirupama Rao as Independent Director	Mgmt	For	For
8	Reelect Yogesh Chander Deveshwar as Non-Executive Director and Approve His Appointment and Remuneration as Chairman	Mgmt	For	For
9	Approve Variation in the Terms of Remuneration to Executive Directors	Mgmt	For	For
10	Approve Commission Remuneration for Non-executive Directors	Mgmt	For	For
11	Approve Remuneration of Cost Auditors	Mgmt	For	For
12	Approve Remuneration of Cost Auditors	Mgmt	For	For

# Grupo Financiero Banorte S.A.B. de C.V.

Meeting Date: 08/19/2016	Country: Mexico	Primary Security ID: P49501201	Meeting ID: 1080108
Record Date: 08/08/2016	Meeting Type: Special	Ticker: GFNORTE O	
Primary CUSIP: P49501201	Primary ISIN: MXP370711014	Primary SEDOL: 2421041	

#### Voting Policy: MFS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
	Extraordinary Business	Mgmt		
1.1	Amend Article 5 Re: Location of Corporate Domicile	Mgmt	For	For
1.2	Amend Article 19 Re: Asset Acquisition Operations	Mgmt	For	For
1.3	Amend Article 44 Re: Independent Members of Nomination Committee	Mgmt	For	For

Date range covered: 07/01/2016 to 09/30/2016 Location(s): Massachusetts Financial Services Institution Account(s): MFS International Growth Fund\*

# Grupo Financiero Banorte S.A.B. de C.V.

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1.4	Resolutions in Item 1.1 Are Subject to Suspense Consistent Condition by Which Authorization Referred to in Article 20 of Law Regulating Financial Groups is Granted, Prior Opinion of National Banking and Securities Commission and Banco de Mexico	Mgmt		
2	Authorize Board to Ratify and Execute Approved Resolutions	Mgmt	For	For

# Grupo Financiero Banorte S.A.B. de C.V.

Meeting Date: 08/19/2016

Country: Mexico

Primary Security ID: P49501201

Meeting ID: 1080109

Record Date: 08/08/2016

Meeting Type: Special

Ticker: GFNORTE O

Primary CUSIP: P49501201

Primary ISIN: MXP370711014

Primary SEDOL: 2421041

#### **Voting Policy: MFS**

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
	Ordinary Business	Mgmt		
1.1	Approve Cash Dividends of MXN 0.45750654921773 Per Share to Be Paid on Aug. 31, 2016	Mgmt	For	For
1.2	Approve Fourth and Last Payment of Dividend of 2014 to Be Paid on Aug. 31, 2016	Mgmt	For	For
1.3	Approve Cash Dividends of MXN 1.23355355686851 per Share	Mgmt	For	For
1.4	Approve First Payment of Dividend of 2015 to Be Paid on Aug. 31, 2016	Mgmt	For	For
1.5	Approve Second Payment of Dividend of 2015 to Be Paid in May 2017	Mgmt	For	For
2	Authorize Board to Ratify and Execute Approved Resolutions	Mgmt	For	For

# **Keyence Corp.**

Meeting Date: 09/09/2016 Record Date: 06/20/2016

Country: Japan

Primary Security ID: 332491102

Meeting ID: 1085215

Meeting Type: Annual

Ticker: 6861

Primary CUSIP: J32491102

Primary ISIN: JP3236200006

Primary SEDOL: 6490995

Vote Summary Report
Date range covered: 07/01/2016 to 09/30/2016 Location(s): Massachusetts Financial Services Institution Account(s): MFS International Growth Fund\*

# Keyence Corp.

#### Voting Policy: MFS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1	Approve Allocation of Income, With a Final Dividend of JPY 50	Mgmt	For	Against
2	Appoint Alternate Statutory Auditor Takeda, Hidehiko	Mgmt	For	For

# **Element Financial Corporation**

Meeting Date: 09/20/2016	Country: Canada	Primary Security ID: 286181201	Meeting ID: 1078617
Record Date: 07/29/2016	Meeting Type: Special	Ticker: EFN	
Primary CUSIP: 286181201	Primary ISIN: CA2861812014	Primary SEDOL: 87FNMQ2	

#### Voting Policy: MFS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1	Approve Spin-Off Agreement	Mgmt	For	For
2	Approve the ECN Capital Equity Plans	Mgmt	For	For
3	Issue Shares in Connection with Acquisition	Mgmt	For	For

# Diageo plc

Meeting Date: 09/21/2016	Country: United Kingdom	Primary Security ID: G42089113	Meeting ID: 1080851				
Record Date: 09/19/2016	Meeting Type: Annual	Ticker: DGE					
Primary CUSIP: G42089113	Primary ISIN: G80002374006	Primary SEDOL: 0237400					

#### Voting Policy: MFS

roposal umber	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1	Accept Financial Statements and Statutory Reports	Mgmt	For	For
2	Approve Remuneration Report	Mgmt	For	For
3	Approve Final Dividend	Mgmt	For	For
4	Re-elect Peggy Bruzelius as Director	Mgmt	For	For
5	Re-elect Lord Davies of Abersoch as Director	Mgmt	For	For .

Vote Summary Report
Date range covered: 07/01/2016 to 09/30/2016 Location(s): Massachusetts Financial Services Institution Account(s): MFS International Growth Fund\*

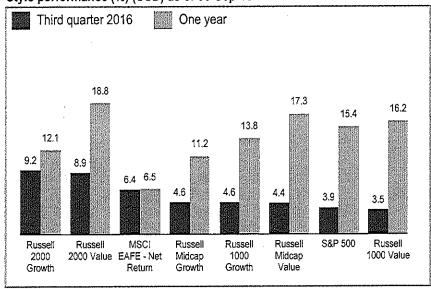
# Diageo plc

Proposal Number	Proposal Yext	Proponent	Mgmt Rec	Vote Instruction
6	Re-elect Ho KwonPing as Director	Mgmt	For	For
7	Re-elect Betsy Holden as Director	Mgmt	For	For
8	Re-elect Dr Franz Humer as Director	Mgmt	For	For
9	Re-elect Nicola Mendelsohn as Director	Mgmt	For	For
10	Re-elect Ivan Menezes as Director	Mgmt	For	For
11	Re-elect Philip Scott as Director	Mgmt	For	For
12	Re-elect Alan Stewart as Director	Mgmt	For	For
13	Elect Javier Ferran as Director	Mgmt	For	For
14	Elect Kathryn Mikells as Director	Mgmt	For	For
15	Elect Emma Walmsley as Director	Mgmt	For	For
16	Reappoint PricewaterhouseCoopers LLP as Auditors	Mgmt	For	For
17	Authorise Board to Fix Remuneration of Auditors	Mgmt	For	For
18	Authorise Issue of Equity with Pre-emptive Rights	Mgmt	For	For
19	Authorise Issue of Equity without Pre-emptive Rights	Mgmt	For	For
20	Authorise Market Purchase of Ordinary Shares	Mgmt	For	For
21	Authorise EU Political Donations and Expenditure	Mgmt	For	For



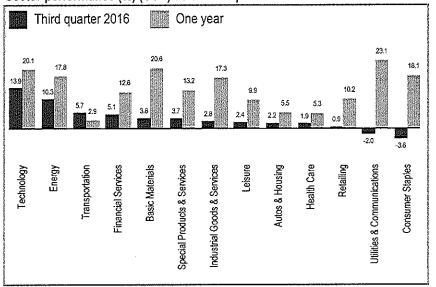
# Market overview

#### Style performance (%) (USD) as of 30-Sep-16



Source for benchmark performance: SPAR, FactSet Research Systems Inc. All indices represent total return unless otherwise noted.

#### Sector performance (%) (USD) as of 30-Sep-16



Source: FactSet, Sector performance based on MFS sector classification. The analysis of Russell 1000® Growth index constituents are broken out by MFS defined sectors.

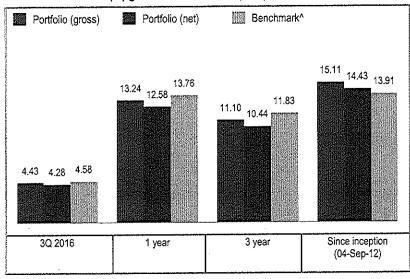
#### Market review as of 30-Sep-2016

- The U.S. market, as measured by the S&P 500 Index, added to its small gain through the first six months of the year by posting a modest return in Q3. Despite the respectable YTD returns through September, investors are keeping a close eye on the Presidential race, China's growth, Federal Reserve policy and the future impact of Brexit.
- U.S. economic growth, led by consumer spending, picked up slightly from the first three months of the year with Q2 GDP coming in at 1.4%. With the U.S. Dollar and the price of oil stabilizing, the Federal Reserve believes growth will accelerate as we finish 2016. Given the slower growth, the Federal Reserve did not raise interest rates during their September meeting but signaled that a rate increase in December was likely. Other central banks (i.e. ECB, BOJ and People's Bank of China) continue to maintain their "super easy" monetary conditions.
- In general, the growth style of investing slightly outperformed the value style of investing during Q3. This outperformance was helped by strong returns from the technology sector and weak returns from the utilities sector.



# Executive summary

### Performance results (%) gross and net of fees (USD) as of 30-Sep-16



Source for benchmark performance: SPAR, FactSet Research Systems Inc. All periods greater than one year are annualized.

Past performance is no guarantee of future results.

^ Russell 1000® Growth Index

Asset summary (USD)

,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
Beginning value as of 30-Jun-16	32,068,864
Contributions	0
Withdrawals	-1,500,000
Change in market value	+1,421,740
Ending value as of 30-Sep-16	31,990,605

Sector weights (%) as of 30-Sep-16	Portfolio	Benchmark^^	
Top overweights			
Financial Services	9.9	6.4	
Special Products & Services	7.6	5.4	
Retailing	13.0	11.2	
Top underweights			
Basic Materials	1.1	4.0	
Leisure	7.8	10.4	
Industrial Goods & Services	4.1	6.6	

^^ Russell 1000® Growth Index

Portfolio and benchmark data shown is based on MFS' sector/industry classification methodology, which differs from the benchmark's.

The Growth Equity portfolio underperformed the Russell 1000® Growth Index in the third quarter of 2016.

Contributors	Detractors		
Financial Services – Stock selection	Technology – Stock selection		
Leisure – Stock selection	<ul> <li>Retailing – Stock selection</li> </ul>		
individual stocks:	<ul> <li>Health Care – Stock selection</li> </ul>		
- Alphabet Inc	Individual stocks:		
- Adobe Systems Inc	- Fiserv Inc		
- Fleetcor Technologies Inc	<ul> <li>Cognizant Technology</li> </ul>		
- Altria Group Inc (not held)			



# Performance results

Performance results (%) gross and net of fees (USD) as of 30-Sep-16				
Period	Portfolio gross (%)	Portfolio net (%)	Benchmark^ (%)	benchmark (%)
3Q 2016	4.43	4.28	4.58	-0.30
2Q 2016	1.69	1.55	0.61	0.94
1Q 2016	-1.59	-1.73	0.74	-2.47
4Q 2015	8.35	8.19	7.32	0.87
2016 YTD	4.51	4.06	6.00	-1.94
2015	7.81	7.17	5.67	1.50
2014	9.60	8.95	13.05	-4.10
2013	38.34	37.51	33.48	4.03
1 year	13.24	12.58	13.76	-1.18
3 year	11.10	10.44	11.83	-1.39
Since client inception (04-Sep-12)	15.11	14.43	13.91	0.52

Source for benchmark performance: SPAR, FactSet Research Systems Inc. All periods greater than one year are annualized. Past performance is no guarantee of future results.

<sup>^</sup> Russell 1000@ Growth Index





# Characteristics

As of 30-Sep-16	Portfolio	Benchmark <sup>^</sup>
Fundamentals - weighted average		
IBES long-term EPS growth 1	17.7%	14.3%
Price/earnings (12 months forward ex-negative earnings)	23.0x	19.1x
Market capitalization		
Market capitalization (USD) <sup>2</sup>	138.9 bn	151.8 bn
Diversification		
Top ten holdings	32%	26%
Number of holdings	86	599
Turnover		
Trailing 1 year turnover 3	30%	
Risk profile (current)		
Barra predicted tracking error <sup>4</sup>	2.42%	
Risk/reward (3 year)		
Beta vs benchmark	0.98	_

<sup>^</sup> Russell 1000® Growth Index

Past performance is no guarantee of future results. No forecasts can be guaranteed.

Top 10 issuers		
As of 30-Sep-16	Portfolio (%)	Benchmark^ (%)
ALPHABET INC	6.5	4.4
FACEBOOK INC	4.8	2.7
AMAZON.COM INC	4.8	3.1
VISA INC	3.9	1.5
ADOBE SYSTEMS INC	2.6	0.5
MICROSOFT CORP	2.6	4.1
MASTERCARD INC (EQ)	2.6	0.9
THERMO FISHER SCIENTIFIC INC	2.4	0.3
SBA COMMUNICATIONS CORP	2.3	0.1
DANAHER CORP	1.9	0.1
Total	34.4	17.8

<sup>&</sup>lt;sup>1</sup> Source: Thomson Reuters

<sup>&</sup>lt;sup>2</sup> Weighted average.

<sup>&</sup>lt;sup>3</sup> (Lesser of Purchase or Sales)/Average Month End Market Value

<sup>&</sup>lt;sup>4</sup> Source: Barra



Reporting Period: 07/01/2016 to 09/30/2016 Location(s): Massachusetts Financial Services

Institution Account(s): Bay Country Employees' Retirement System

CONSTELLATION BRANDS, INC.

Meeting Date: 07/20/2016

Country: USA

Primary Security ID: 21036P108

Meeting ID: 1071334

Record Date: 05/23/2016

Meeting Type: Annual

Ticker: STZ

Primary CUSIP: 21036P108

Primary ISIN: US21036P1084

Primary SEDOL: 2170473

Voting Policy: MFS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1,1	Elect Director Jerry Fowden	Mgmt	For	For
1.2	Elect Director Barry A. Fromberg	Mgmt	For	For
1.3	Elect Director Robert L. Hanson	Mgmt	For	For
1.4	Elect Director Ernesto M. Hernandez	Mgmt	For	For
1.5	Elect Director James A. Locke, III	Mgmt	For	For
1.6	Elect Director Daniel J. McCarthy	Mgmt	For	For
1.7	Elect Director Richard Sands	Mgmt	For	For
1.8	Elect Director Robert Sands	Mgmt	For	For
1.9	Elect Director Judy A. Schmeling	Mgmt	For	For
1.10	Elect Director Keith E. Wandell	Mgmt	For	For
2	Ratify KPMG LLP as Auditors	Mgmt	For	For
3	Advisory Vote to Ratify Named Executive Officers' Compensation	Mgmt	For	For

### **McKesson Corporation**

Meeting Date: 07/27/2016 Record Date: 05/31/2016

Country: USA

Meeting Type: Annual

Primary Security 1D: 58155Q103

Ticker: MCK

Meeting ID: 1074789

Primary CUSIP: 58155Q103

Primary ISIN: US58155Q1031

Primary SEDOL: 2378534

Voting Policy: MFS

Proposal Number	Proposał Text	Proponent	Mgmt Rec	Vote Instruction	
1a	Elect Director Andy D. Bryant	Mgmt	For	For	
1b	Elect Director Wayne A. Budd	Mgmt	For	For	
1c	Elect Director N. Anthony Coles	Mgmt	For	For	
1d	Elect Director John H. Hammergren	Mgmt	For	For	
1e	Elect Director M. Christine Jacobs	Mgmt	For	For	

Page 1 of 4



Reporting Period: 07/01/2016 to 09/30/2016 Location(s): Massachusetts Financial Services

Institution Account(s): Bay Country Employees' Retirement System

# **McKesson Corporation**

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Yote Instruction
1f	Elect Director Donald R. Knauss	Mgmt	For	For
19	Elect Director Marie L. Knowles	Mgmt	For	For
1h	Elect Director Edward A. Mueller	Mgmt	For	For
<b>1</b> i	Elect Director Susan R. Salka	Mgmt	For	For
2	Ratify Deloitte & Touche LLP as Auditors	Mgmt	For	For
3	Advisory Vote to Ratify Named Executive Officers' Compensation	Mgmt	For	For
4	Pro-rata Vesting of Equity Awards	SH	Against	Against
5	Report on Political Contributions	SH	Against	For

### **Electronic Arts Inc.**

М	eeti	πg	Date:	07/28	7/2016	
_					2016	

Country: USA

Primary Security 1D: 285512109

Meeting ID: 1073485

Record Date: 06/06/2016

Meeting Type: Annual

Ticker: EA

Primary CUSIP: 285512109

Primary ISIN: US2855121099

Primary SEDOL: 2310194

#### Voting Policy: MFS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1a	Elect Director Leonard S. Coleman	Mgmt	For	For
1b	Elect Director Jay C. Hoag	Mgmt	For	For
1c	Elect Director Jeffrey T. Huber	Mgmt	For	For
1d	Elect Director Vivek Paul	Mgmt	For	For
1e	Elect Director Lawrence F. Probst, III	Mgmt	For	For
1f	Elect Director Talbott Roche	Mgmt	For	For
19	Elect Director Richard A. Simonson	Mgmt	For	For
1h	Elect Director Luis A. Ubinas	Mgmt	for	For
16	Elect Director Denise F. Warren	Mgmt	For	For
ij	Elect Director Andrew Wilson	Mgmt	For	For
2 .	Amend Executive Incentive Bonus Plan	Mgmt	For	For
3	Amend Omnibus Stock Plan	Mgmt	For	For
4	Amend Qualified Employee Stock Purchase Plan	Mgmt	For	For



Reporting Period: 07/01/2016 to 09/30/2016 Location(s): Massachusetts Financial Services

Institution Account(s): Bay Country Employees' Retirement System

# **Electronic Arts Inc.**

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
5	Advisory Vote to Ratify Named Executive Officers' Compensation	Mgmt	For	For
6	Ratify KPMG LLP as Auditors	Mgmt	For	For

# LinkedIn Corporation

		Primary Security ID: 53578A108	Meeting ID: 1080159
Record Date: 07/18/2016	Meeting Type: Special	Ticker: LNKD	
Primary CUSIP: 53578A108	Primary ISIN: US53578A1088	Primary SEDOL: 83ZVCQ8	

#### Voting Policy: MFS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1	Approve Merger Agreement	Mgmt	For	For
2	Adjourn Meeting	Mgmt	For	For
3	Advisory Vote on Golden Parachutes	Mgmt	For	Against

# NIKE, Inc.

Meeting Date: 09/22/2016	Country: USA	Primary Security ID: 654106103	Meeting ID: 1080330
Record Date: 07/22/2016	Meeting Type: Annual	Ticker: NKE	
Primary CUSIP: 654106103	Primary ISIN: US6541061031	Primary SEDOL: 2640147	

#### Voting Policy: MFS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1.1	Elect Director Alan B. Graf, Jr.	Mgmt	For	For
1.2	Elect Director Michelle A. Peluso	Mgmt	For	For
1.3	Elect Director Phyllis M. Wise	Mgmt	For	For
2	Advisory Vote to Ratify Named Executive Officers' Compensation	Mgmt	For	For
3	Amend Qualified Employee Stock Purchase Plan	Mgmt	For	For
4	Report on Political Contributions	SH	Against	For
5	Ratify PricewaterhouseCoopers LLP as Auditors	Mgmt	For	For

# Bay County Employees' Retirement System Growth Equity Report as of 30 September 2016

Performance results (%) gross and net of fees (USD)

Period	Portfolio gross	Portfolio net	Benchmark^	Excess^^
September	0.11	0.06	0.37	-0.30
August	-0.68	-0.73	-0.50	-0.23
July	5.03	4.98	4.72	0.26
3Q 2016	4.43	4.28	4.58	-0.30
2Q 2016	1.69	1.55	0.61	0.93
1Q 2016	-1.59	-1.73	0.74	-2.47
2016 YTD	4.51	4.06	6.00	-1.94
1 year	13.24	12.58	13.76	-1.18
3 year	11.10	10.44	11.83	-1.38
Since client inception (04-Sep-12)	15.11	14.43	13.91	0.51

Source for benchmark performance: SPAR, FactSet Research Systems inc.

All periods greater than one year are annualized.

Past performance is no guarantee of future results.

^ Russell 1000® Growth Index

The Growth Equity portfolio underperformed Russell 1000® Growth Index in the third quarter of 2016.

#### **Detractors**

Technology - Stock selection

Retailing - Stock selection

Health Care - Stock selection

#### Individual stocks - Detractors

Fisery Inc.

Cognizant Technology

35

<sup>^^</sup> Excess return net vs benchmark (%)



Valuation Summary	•	30-Sep-16	Portfolio Currency: USD	• .	
	Cost	Market Value	Accrued Income	Total Value	Total Value
CASH	544,135.34	544,135.34	0.00	544,135.34	1.70 %
COMMON STOCK	22,886,336.88	31,183,057.01	11,801.11	31,194,858.12	97.51 %
ADR	241,967.66	251,611.05	0.00	251,611.05	.79 %
	23,672,439.88	31,978,803.40	11,801.11	31,990,604.51	100.00 %
Accrued Income:		11,801.11	· · · · · · · · · · · · · · · · · · ·		
Total Value:		31,990,604.51			

This report contains trade date position values, calculated by MFS. This is not the official book of record for the account. Cash is a net cash balance comprised of cash on deposit, and payables and receivables that have not settled.

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Bay County Employees' Retirement System

MFS® Heritage Trust Company CIT - MFS International Growth Fund

Class 1 Shares

Report as of 30 September 2016

#### Performance results (%) class 1 shares net of expenses (USD)

Period	Portfolio net	Benchmark <sup>^</sup>	Excess^^ -0.27
September	1.28	1.56	-0.27
	0.95	-0.36	1.30
July	4.35	4.81	-0,46
3Q 2016	6.69	6.06	0.63
2Q 2016	0.84	0.46	0.37
1Q 2016	1.81	-0.34	2,14
2016 YTD	9.53	6.20	3.33
1 year	13.94	11.50	2.44
Since client inception (06-Aug-14)	2.67	0.21	2.46

Source for benchmark performance: SPAR, FactSet Research Systems inc.

All periods greater than one year are annualized.

#### Past performance is no guarantee of future results.

For periods prior to the inception date of a unit class, performance information shown for such class is based on the performance of an older class of units that dates back to the Fund's inception, as adjusted to reflect differences in fees paid and expenses incurred by the newer class.

Net of expenses performance does not include management fees.

FOR EXISTING INSTITUTIONAL CLIENT USE ONLY.

MFS Heritage Trust Company

3

<sup>^</sup> MSCI All Country World (ex-US) Growth Index (net div)

<sup>^^</sup> Excess return net vs benchmark (%)

### **Bay County Employees' Retirement System**

MFS® Heritage Trust Company CIT - MFS International Growth Fund (Class 1 Shares)



Performance results (%) class 1 shares net of expenses (USD)	Portfolio	Benchmark*	Excess returns
3Q 2016	6.69	6.06	0.63
2016 YTD	9.53	6.20	3.33
1 year	13.94	11.50	2.44
Since client inception (06-Aug-14)	2.67	0.21	2.46

Source for benchmark performance: SPAR, FactSet Research Systems Inc.

All periods greater than one year are annualized.

Past performance is no guarantee of future results.

For periods prior to the inception date of a unit class, performance information shown for such class is based on the performance of an older class of units that dates back to the Fund's inception, as adjusted to reflect differences in fees paid and expenses incurred by the newer class. Net of expenses performance does not include management fees.

^ MSCI All Country World (ex-US) Growth Index (net div)

Performance results reflect any applicable expense subsidies and waivers in effect during the periods shown. Without such subsidies and waivers the fund's performance results would be less favorable. All results are historical and assume the reinvestment of dividends and capital gains.

Beginning value as of 30-Jun-16		25,035,919
Contributions		0
Withdrawals		0
Change in market value		+1,675,656
Ending value as of 30-Sep-16		26,711,575
Characteristics	Portfolio	Benchmark**
IBES long-term EPS growth - weighted median 1	8.6%	9.5%
Price/earnings (12 months forward ex-negative earnings) - weighted median	19.6x	19.2x
Return on invested capital - weighted median	12.7%	11.6%
Market capitalization (USD) 2	41.7 bn	28.2 bn
Number of holdings	84	1,055
Trailing 1 year turnover 3	24%	-
Barra predicted tracking error 4	3.23%	-
	The state of the s	

1 Source: Thomson Reuters

Asset summary (USD)

- <sup>2</sup> Weighted median.
- 3 (Lesser of Purchase or Sales)/Average Month End Market Value
- 4 Source: Barra

#### No forecasts can be guaranteed.

Portfolio characteristics are based on equivalent exposure, which measures how a portfolio's value would change due to price changes in an asset held either directly or, in the case of a derivative contract, indirectly. The market value of the holding may differ.

Top 10 issuers	Sector	
NESTLE SA	Consumer Sta	ples
ROCHE HOLDINGS AG	Health Care	
TAIWAN SEMICONDUCTOR	Technology	
MANUFACTURING COMPANY LIMITED		
DANONE SA	Consumer Sta	•
AJA GROUP LTD	Financial Serv	
ACCENTURE PLC		cts & Services
NOVARTIS AG	Health Care	
PERNOD-RICARD	Consumer Sta	iples
CANADIAN NATIONAL RAILWAY CO	Transportation	1
LVMH MOET HENNESSY	Retailing	
Sectors (%)	Portfolio	Benchmark^^
Consumer Staples	19.1	16.6
Health Care	14.6	12.0
Technology	13.6	14.0
Financial Services	12.0	11.4
Industrial Goods & Services	9.1	5.3
Special Products & Services	8.7	4.8
Basic Materials	6.7	6.1
Retaling	5.8	7.6
Leisure	4.1	4.7
Transportation	2.7	4.3
Energy	1.1	1.4
Utilities & Communications	0.9	7.3
Autos & Housing	0.8	4.6
Regions (%)	Portfolio	Benchmark^^
Europe ex-U.K.	47.6	33.7
United Kingdom	15.2	10.7
Emerging Markets	12.5	23.4
Japan	9.1	16.7
North America	8.1	6.6

4= 0	
15.2	10.7
12.5	23.4
9.1	16.7
8.1	6.6
5.0	8.4
1.5	0.5
	12.5 9.1 8.1 5.0

<sup>1.0%</sup> Cash & cash equivalents

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MFS Heritage Trust Company

^^ MSCI All Country World (ex-US) Growth Index

Email: khyland@mfs.com

Month End Date:

00/30/2016



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76.52	17.67	11.56	37.98 19.00	7.22	64,78	8	95.30	9.33	54.90	8 23	11.30	112.77	102.07	26.20	06.70	50.70	201.70		73,20	125.96	67.70	36.33	ឌ្ឍ	87.36	83.61	06 PA	49.B6	7.50	28.50	09,72	100.46	88.54	416.63	<u>9</u> .1	13.52	22.09	105.79	19.30	90,90	170.52	60.40	110,34	75.04	122.17	74.20		er.ue	245.07	76.80
110,200	476,031	204,402	232,900	1,217,310	127,300	415,026	97,095	190,180	177,263	219,464	007,700	50,015	96,229	414,108	126,667	223,784	57,701		761,706	94,371	180,139	326,800	553,502	150,974	105,300	\$1,802	276,917	1,907,391	947,210	241,007	172,270	95,783	45,440	214,603	1,481,902	974,630	205,005	1,123,170	245,905	134,831	362,204	205,06	226,601	218,248	300,523		, in	156,004	490,719
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0.81	0.02	0.02	0.00	0.05	0.54	98.0	0.50	9.90	0.94	0.90	0.50		0.00	1.00	19	1.10	1.10		14		1,5		1,26	18	Ŕ	1.36	1.35	11.000	1.51	. ž		1.71	1.06	1.06	1,97	2.08	2.10	2.11	2.10	2.23		2.36	2.50	2.66	2.67 2.02			3.72	3.72
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Client Account Number: 900203

# Portfolio Summary - PRISA LP

September 30, 2016

#### Objective:

To produce a total return, each year, that outperforms the NCREIF Fund Index Open End Diversified Core Equity (NFI-ODCE) on a total return basis each year (before fees and profit's interest), while maintaining the benefits of a broadly diversified, core portfolio. Further, we anticipate that achieving these annual performance goals will result in an annualized (after inflation) rate of return (before fees and profit's interest) between 7.5% and 9.5% over a complete market cycle.

#### Annual Performance Returns by Income and Appreciation (Before Compensation)

Calendar Year	<b>2004</b>	<b>2005</b>	<b>2006</b>	<u>2007</u>	<u>2008</u>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<u>2012</u>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Income	9.13%	7.45%	6.67%	5.94%	5.27%	7.16%	7.26%	5.56%	5.36%	5.30%	5.22%	5.01%
Appreciation	6.15%	15.82%	9.48%	11.58%	-18.25%	-41.40%	11.16%	13.52%	4.31%	9.22%	7.80%	9.71%
Total	15.28%	23.27%	16.15%	17.52%	-12.98%	-34.24%	18.42%	19.08%	9.67%	14.88%	13.32%	15.08%

# Annualized Performance Returns by Income and Appreciation (Before Compensation) Period Ended September 30, 2016

<u>Period</u>	Quarter	1 Year	3 Year	<u>5 Year</u>	10 Year	Inception (07/31/70)
Income	1.15%	4.73%	5.04%	5.15%	5.71%	7.76%
Appreciation	0.86%	4.59%	7.49%	7.07%	-0.17%	1.22%
Total	2.01%	9.49%	12.81%	12.49%	5.56%	9.04%

Annual Performance returns are gross time weighted returns for each period.

Past performance is not a guarantee of future results. Performance information related to periods prior to January 1, 2013 relates to the performance of the PRISA Separate Account ("PRISA SA") and not PRISA LP. Information related to periods after January 1, 2013 relates to PRISA LP returns.

Detailed holdings of the underlying investments for the investment strategy shown on this page are available quarterly, 45 business days after quarter end. Please contact your account representative if you would like to request a copy of these holdings. There is no guarantee that the portfolio objective will be achieved.

Effective January 1, 2013, the method for calculating income and appreciation returns has changed to one which uses separate geometric linking, which is consistent with recent changes in Global Investment Performance Standards. As a result, when linking multiple periods' returns, the cumulative effect of cross compounding may cause the sum of income and appreciation returns to not equal the total return.

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PRISA LP management fee information shown below provides a breakdown of the fee charged by quarter and the current year. First and second quarter 2016 fees are calculated under the legacy fee structure.

Third quarter 2016 and beyond reflects the new fee structure put into effect July 1, 2016.

# PRISA LP Manager Compensation

	Effective Base Management Fee	Cash Flow Profit Distributions	Cash Management Profit Distributions	Total Quarterly Compensation	Effective Annualized Rate*
First Quarter 2016	\$26,082.21	\$2,729.49	\$13.31	\$28,825.01	110bp
Second Quarter 2016	26,033.74	3,053.02	67.64	29,154.40	109bp
Third Quarter 2016	38,160.82	N/A	N/A	38,160.82	100bp
Total Year-To-Date 2016		\$5,782.51	\$80.95	\$96,140.23	106bp

<sup>\*</sup>The calculation of the effective annualized fee rate is determined on a quarterly basis by using the fee base of the account for the respective period. The fee base for these periods is the beginning market value. The year-to-date effective annualized fee rate is the average of all quarters effective annualized rates.



<sup>&</sup>quot;Adjustments Related to Prior Periods" shows updates to management fee information reported in previous Quarters. These adjustments reflect any year-to-date corrections or adjustments applied since your last report.

Client Account Number: 900203

# **Current Quarter Fee Calculation Details**

Total PRISA LP Cash Total PRISA LP Market Value	\$140,257,293.85 \$3,209,619,122.73	Market Value Tier	Annual Basis Points	Quarterly Basis Points	Investor's Market Value in Tier	Fee
Cash as a % of Market Value	4.37%	\$0 - 25 MM	100.00	25.00	\$15,264,326.04	\$38,160.82
Excess Cash Investor's Share of Excess Cash	\$0.00 \$0.00	\$25 - 50 MM	95.00	23.75	-	-
	·	\$50 - 100 MM	85.00	21.25	-	-
Investor's Market Value Investor's Share of Excess Cash	\$15,264,326.04 \$0.00	\$100 - 200 MM	75.00	18.75	-	-
Investor's Adjusted Market Value	\$15,264,326.04	\$200 - 300 MM	70.00	17.50	-	-
		> \$300 MM	65.00	16.25	-	-
					\$15,264,326.04	\$38,160.82

All figures are based on beginning of period values. If the fund's cash balance exceeds 5% of the fund's Market Value, a cap is put into effect. For fee calculation purposes, if the cap is in effect for a given period, the investor's fee base is reduced by such investor's share of excess cash.

Total Market Value on this client statement may not match with the Total Market Value on the Fund financial statement due to rounding.



Client Account Number: 900203

# **Transaction Detail Statement**

Bay County Employees' Retirement System
PRISA LP
3rd Quarter, 2016

Transaction Description	Transaction Date	Book Value	Market Value	Unit Value	Units
Balance	06/30/16	\$14,974,805.75	\$15,264,326.04	1,371.28666	11,131.38958
Receipts ************************************		Barrier in Tell Constitution	agangs kanting palekter kepada perendapan k		
Deposits					
Reinvest OCF Distribution	09/30/16	139,532.01	139,532.01	1,397.19809	99.86559
Total Deposits		139,532.01	139,532.01		99.86559
Total Receipts		139,532.01	139,532.01		99.86559
Transfers		in Hilliam 0.00 dimensi	0.00		0.00000
Disbursements The street and the transfer of the rest		erginglicitet (tron), en utforetæren.			navioliname delic
Withdrawals					
Operating Cashflow	09/30/16	(139,532.01)	(139,532.01)	1,397.19809	(99.86559)
Total Withdrawals		(139,532.01)	(139,532.01)		(99.86559)
Adjustments					
Management Fee-Account Level	09/30/16	(18,923.88)	(19,080.41)	1,397.19809	(13.65620)
Management Fee-REIT Level	09/30/16	(19,080.41)	(19,080.41)		
Total Adjustments		(38,004.29)	(38,160.82)		(13.65620)
Total Disbursements		(177,536.30)	(177,692.83)		(113.52179)
Net Investment Income		176,867.01	176,867.01		
Realized Gains/Losses	Barrell Barrille		156.53		
Change in Unrealized Gains/Losses			130,487.08		

# **Asset Summary**

3rd Quarter, 2016

	Total	PRISA LP	
Market Value 06/30/2016	\$15,264,326.04	\$15,264,326.04	
Receipts	139,532.01	139,532.01	
Transfers	0.00	0.00	
Disbursements	(177,692.83)	(177,692.83)	
Net Investment Income	176,867.01	176,867.01	
Realized Gains/Losses	156.53	156.53	
Change in Unrealized Gains/Losses	130,487.08	130,487.08	
Market Value 09/30/2016	\$15,533,675.84	\$15,533,675.84	garance consequences and an analysis of the consequences of the co



Schroder Investment Management North America Inc. C/O US Bancorp Fund Services, LLC PO Box 701 Milwaukee, WI 53201-0701 **Investor Statement** 

Page 1 of 1

for the period of: January 1, 2016 - September 30, 2016

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BAY COUNTY EMPLOYEES' RETIREMENT SY ATTN KATHLEEN MEETH 515 CENTER AVE STE 301 BAY CITY MI 48708-5941

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Please note, as of February 2016 we have enhanced the monthly statement to reflect YTD activity.

If you have any questions or comments regarding this statement, please contact your Client Service team at Schroders, New York at clientserviceny@schroders.com.

		Fund Number	Account Number		Fotal Share nares Price	Fund Value	% of Holdings
SCHRODER INTERNATIONAL SMA	NLL CO'S FUND	3179	50306	2,68	2.509 \$10,637.6258	\$28,535,526.95	100.00%
TOTAL VALUE						\$28,535,526.95	100.00%
		Accoun	it Year-to-	Date Summ	ary		
		Fund Number	Account Number	Investments	Redemptions	Dividends	Capita Gain
		3179	50306	\$0.00	\$0.00	\$0.00	\$0.0
SCHRODER INTERNATIONAL SM/	ALL COS FUND						
SCHRODER INTERNATIONAL SMA	ALL COS FUND	· · · · ·	<del></del> -	\$0.00	\$0.00	\$0.00	\$0.0
	ALL COS FUND		-Date Trai	\$0.00		\$0.00	\$0.0

SCHRODER INTERNATIONAL SMALL CO'S FUND

FUND/ACCOUNT NUMBER:

3179-50306

BALANCE FORWARD ENDING BALANCE

\$28,535,526.95

\$10,637.6258

2,682.509 2,682.509



# Overview

#### **Fund Valuation**

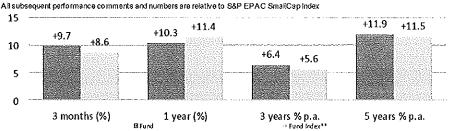
Value at 30 June 2016	Net Cash Flow	Value at 30 September 2016
US\$ 26,017,545		US\$ 28,535,527

#### Performance

Periods to 30 September 2016

Total returns US\$	3 months (%)	1 year (%)	3 years %p.a.	5 years %p.a.	Si*** % p.a
Fund	+9.7	+10.3	+6.4	+11.9	+5.9
Benchmark*	+9.0	+12.9	+7,1	+13.0	+6.5
Fund Index**	+8.6	+11.4	+5.6	+11.5	+5.0
Value added rel Benchmark*	+0.7	-2.6	-0.7	-1.1	-0,6
Difference vs Fund Index**	+1.1	-1.1	+0.8	+0.4	+0.9
Source: Schroders, Gross of fees. ***	Since Inception J	une 30, 2006			

# Performance versus benchmark (%)



### Summary

It was a positive three months for markets with volatility lower compared to recent quarters. Small companies rose more than their large cap peers, largely thanks to a more cyclical sector composition. By region, small caps outperformed in continental Europe and the United Kingdom while they underperformed in Japan and Pacific ex Japan.

The Fund outperformed the index in Q3 returning +9.7% compared to the MSCI EAFE Small Cap return of +8.6%. Stock selection has driven outperformance thanks to our holdings in Japan and continental Europe. Regional allocation was a lesser contributor with our non-index exposure to Emerging Markets of most benefit.

The Fund is behind the index over the 12 months period returning +10.3% compared to the Index\* return of +11.4%. Negative stock selection has been the reason behind relative underperformance with shortfalls evident in all regions, most notably Pacific ex Japan. Regional allocation produced some offset thanks to our Emerging Markets exposure and our underweight to the United Kingdom only partially offset by our underweights in Pacific ex Japan and Japan.

Investor sentiment has improved over the last three months. Areas of concern (Brexit, China, Peripheral Europe, collapse in commodity prices) have been less in focus. Although the limits to monetary policy tools appear to have been reached, and resort to concerted fiscal measures is far from assured, there has been a more pro-growth tone to markets and relative value would still suggest that defensives are not attractive. Regional allocation has been little changed in the portfolio, although there has been a higher level of stock specific activity in continental Europe.

We continue to believe that small companies remain an important strategic exposure for long-term investors looking for real growth in what remains a challenging economic environment. At a time of financial repression and great disruption, sustainable returns are a rare commodity, reliant on having a strong competitive advantage in a growing niche, and being able to maintain superior ROIC on an expanding asset base. We continue to strive to identify companies with these criteria.

<sup>&</sup>quot;S&P EPAC SmallCap to 12/3120 ft, then M SCIEAFE Small Cap (NDR)

<sup>1</sup> S&P EPAC SmallCap to 12/31/2015, then MSCLEAFE Small Cap (NDR)

# Market Summary

It was a positive three months for markets with volatility lower compared to recent quarters. Small companies rose more than their large cap peers, largely thanks to a more cyclical sector composition. By region, small caps outperformed in continental Europe and the United Kingdom while they underperformed in Japan and Pacific ex Japan.

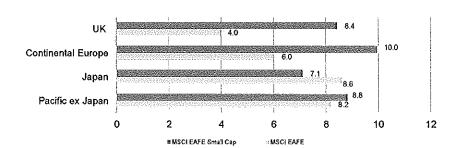
European equities rose in the second quarter supported by a generally encouraging reporting season. Economically sensitive sectors such as information technology, consumer discretionary and materials advanced strongly. By contrast, defensive sectors (health care and utilities) delivered weaker returns. Financials delivered positive returns overall despite the well-publicised issues around Deutsche Bank. Macroeconomic data continued to indicate lacklustre growth and low inflation.

UK equities performed well against a more stable domestic political backdrop following the EU referendum as Theresa May was confirmed as prime minister. Monetary easing by the Bank of England and relaxation of fiscal austerity also helped, though at the expense of a weaker sterling. The more domestically orientated small caps, deemed most exposed to Brexit, enjoyed a relief rally as the first hard economic data for the UK published since the "Leave" decision suggested that the negative impact on growth had been less than feared.

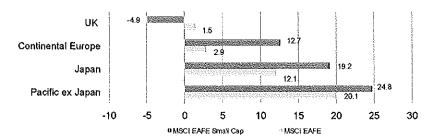
Japanese equities rose over the quarter. The period started with Upper House elections which resulted in a convincing win for Prime Minister Abe clearing the path for a significant fiscal spending package to be announced. There has also been renewed focus on longer term structural reforms which seemed to have drifted down the policy agenda in the first half of the year. For the remainder of the quarter investors' attention was drawn to the September meeting of the Bank of Japan. In the event, there was no change in short-term rates but an explicit shift to yield curve targeting was announced. There was a reversal in market leadership in July and August, with defensive areas beginning to underperform after many months of outperformance. The yen made further modest gains over the period.

Asia ex Japan equities were driven by continued global monetary easing. Chinese equities saw some of Asia's largest gains supported by expectations for more policy easing given disappointing manufacturing and trade numbers over the summer months. Hong Kong stocks finished up strongly on this positive policy sentiment. Taiwan and Korea also saw equity prices advance on a wave of buying interest from foreign investors. ASEAN markets were also strong benefitting from a delay in expectations over the hiking of interest rates by the US Fed.

MSCI returns by major region US\$ 3 months to 30 September 2016



MSCI returns by major region US\$ 12 months to 30 September 2016



Source: Factset, MSCI.

# Performance

Performance attribution

Periods to 30 September 2016

Total returns	3 months	12 months %	3 years % p.a.	5 years % p.a.
Stock selection	+0.9	-2.1	+0.6	+0.3
Region weightings	+0.1	+1.1	+0.1	-0.1
Currency hedging	0.0	0.0	0.0	0.0
Residual	+0.1	-0.1	+0.1	+0.2
Total value added	+1.1	-1.1	+0.8	+0.4
ource: Schroders, FactSet	PA2.	I		

The Fund outperformed the index in Q3 returning +9.7% compared to the MSCI EAFE Small Cap return of +8.6%. Stock selection has driven outperformance thanks to our holdings in Japan and continental Europe. Regional allocation was a lesser contributor with our non-index exposure to Emerging Markets of most benefit.

The strongest contributor to outperformance in the quarter was selection in Japan thanks to our holdings in industrials (Hitachi Transport System, Yushin Precision Equipment) and consumer discretionary (TPR, Musashi Seimitsu) sectors. There were lesser contributions from stock selection in health care (Kissel Pharmaceutical), and stock selection and our underweight in financials (Tokai Tokyo Financial). Relative underperformance in information technology (Digital Garage, Kakaku.com) produced some offset.

Selection in continental Europe also aided relative performance. The main areas of benefit were our holdings in information technology (Logitech, RIB Software) and utilities (Rubis, Albioma). Our overweight to information technology also added value as it was the strongest performing sector in the region. There was only modest offset from selection shortfalls in financials (Helvetia, Credito Emiliano) and consumer staples (Marie Brizard Wine & Spirits, Glanbia).

Stock selection in Pacific ex Japan was broadly neutral overall. Despite relative underperformance in Australia (Asaleo Care, Iluka Resources) and Hong Kong (Techtronic Industries, Regina Miracle), this was offset by good stock picks in Singapore (SATS, First Resources) and New Zealand (Fletcher Bullding). Our Emerging Markets exposure also proved beneficial with Taiwan (Nien Made, Posifiex) the main area of benefit.

Fund performance in the United Kingdom traced that of the index. The benefit from positive selection in consumer discretionary (J D Wetherspoon, Redrow) and health care (Dechra Pharmaceuticals) was offset by relative underperformance in industrials (Keller Group, DCC) and information technology (Computacenter, Halma).

The Fund is behind the index over the 12 months period returning +10.3% compared to the Index\* return of +11.4%. Negative stock selection has been the reason behind relative underperformance with shortfalls evident in all regions, most notably Pacific ex Japan. Regional allocation produced some offset thanks to our Emerging Markets exposure and our underweight to the United Kingdom only partially offset by our underweights in Pacific ex Japan and Japan.

\* S&P EPAC SmallCap to 12/31/2015, then MSCLEARE Small Cap (MDR)

Stock and Region Selection Impact

3 months to 30 September 2016

[9	tock selection %	Region allocation %	Total*%
UK	0.0	0.0	0.0
Japan	+0.6	+0.1	+0.7
Continental Europe	+0.3	0.0	+0.3
Pacific ex Japan	0.0	0.0	0.0
Emerging Markets		+0.2	+0.2
Cash	-	-0.2	-0.2

<sup>\*</sup>Contribution to performance relative to S&P EPAC SmallCap to 12/31/2015, then MSCI EAFE Small Cap (NDR). Source: Schroders, FactSet PA2.



>Abel/Noser Corp.
One Battery Park Plaza,
New York, NY 10004-1405
phone:646.432.4000 800.322.2610
fax: 212.363.7571
website: www.abelnoser.com>

Date 10/13/2016 Page 1 of 1

\$0.00

\$0.00

Commission Program Review Rep: MARY DAVIDSON

\$0.00

\$0.00

\$170.17

\$170.17

Ms. Crystal Herbert Bay County Financial Officer Bay County Retirement System 515 Center Avenue Suite 701 Bay City, MO 48708

HOTCHKIS & WILEY

#### Month Summary: BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

Total:

Period: September	1.	2016 To	September	30.	2016

Opening Balance: Commission: Credit: Payments: Adjustments: Ending Balance:	September 2016 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00	Year To Date \$0.00* \$170.17 \$0.00 \$0.00 \$0.00 \$0.00		
*Previous Year's closing balance  Manager Commission Summary		September 2016		
	September 2016 <u>Commission</u>	September 2016 <u>Credit</u>	Year to Date Commission	Year to Date <u>Credit</u>

Are you considering making a portfolio change soon? Contact your Abel Noser representative or Transitions@abelnoser.com for information about our Transition Service which was rated #1 in the 'Overall Service' category in the 2013 aiCIO Global TM Survey.

\$0.00

\$0.00



1700 Pacific Avenue, Suite 1100 Dallas, Texas 75201 214.720.0055 800.247.6729

**Execution** 

Member NYSE, FINRA, NFA, SIPC WBENC Certified Women-Owned

Founded 1977

5

Bay County Employees' Ret. Sys.

CAPIS Account: 10263

Settlement Month Ending: 9/30/2016

Recapture

#### TOTAL COMMISSION

#### **COMMISSION ALLOCATION**

	_				
200	inni	in~	20	lance	

U.S. Equity

International Equity

Fixed Income

International Fixed Income

New Issues

Options

Futures

Foreign Currency

Syndicates

U.S. Correspondent Equity

#### Recapture Subtotals

Execution

Directed

Correspondent Broker/Dealer

Total

September	YTD
87.16	1,841.86
	•
	•
76.56	3,456.27
\$ 163.72	\$ 5,298.13
\$ 0.00	\$ 0.00
\$ 0.00	\$ 0.00
\$ 0.00	\$ 0.00
\$ 163.72	\$ 5,298.13

YTD	September	YTD	September
\$177.01	\$136.50		
1,373.31	65.37	468.55	21.79
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
1,835.90	40.83	1,620.37	35.73
\$ 3,209.21	\$ 106.20	\$ 2,088.92	\$ 57.52

	Total Earned	\$ 106.20	\$ 3,209.21
	Total Redeemed	\$ 136.50	\$ 3,280.02
Balance as of 9/30/2016		\$ 106.20	\$ 106.20

Account Executive: Jon Lantz

Phone: (214) 978-4778

Sales Assistant: Christilla Moreno

Phone: (214) 978-4743

Page 1



1700 Pacific Avenue, Suite 1100 Dallas, Texas 75201

214.720.0055 800.247.6729 Member NYSE, FINRA, NFA, SIPC WBENC Certified Women-Owned

Founded 1977

# Bay County Employees' Ret. Sys.

CAPIS Account: 10263

Settlement Month Ending: 9/30/2016

Summary of Segregated Account Detail

Payment from Segregated Account

 September
 YTD

 \$ 136.50
 \$ 3,280.02

 \$ 136.50
 \$ 3,280.02

**Voucher Amount** 

#### Segregated Account Detail

Service Period	Comments/Notes	Vendor invoice #	Date Paid	September	Prior Months	YTD	Mixed Use %	_
Payment from Segregated Account								
December 2015	Commission Recapture	305624Bay Count	01/15/2016		\$ 177.01			
January 2016	Commission Recapture	306237Bay Count	02/12/2016		\$ 381.33			
February 2016	Commission Recapture	306725Bay Count	03/15/2016		\$ 556.20			102
March 2016	Commission Recapture	307305Bay Count	04/15/2016		\$ 884.63			
April 2016	Commission Recapture	307776Bay Count	05/16/2016		\$ 117.60			
May 2016	Commission Recapture	308237Bay Count	06/15/2016		\$ 484.79			
June 2016	Commission Recapture	308759Bay Count	07/15/2016		\$ 541.96			
August 2016	Commission Recapture	309667Bay Count	09/15/2016	\$ 136.50				
-		Payment from Segregate	ed Account Total	\$ 136.50	\$ 3,143.52	\$ 3,280.02		
		Grand Tota	1	\$ 136.50	\$ 3,143.52	\$ 3,280.02		

Account Executive: Jon Lantz

Phone: (214) 978-4778

Sales Assistant: Christilla Moreno

Phone: (214) 978-4743

Page 2

# Securities Lending Summary Earnings Report for MR

# FAMILY CODE FAM8765

From Sep 1, 2016 To Sep 30, 2016

Page 1 of 6

		US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL	
ACCOUNT NUMB	ER: 2608694						
ACCOUNT NAME	: *BAYCO ~ COLUMB	IA MANAGEMENT					
CURRENCY	: USD	-					
COMMENCE	. 000						
OPEN CASH		0.00	6,964.21	0.00	0.00	6,964.21	
. TERM CASH		0.00	0.00	0.00	0.00	0.00	
NON CASH		0.00	0.00	0.00	0.00	0.00	
DEAL STOCKS	3	0.00	0.00	0.00	0.00	0.00	
EXCLUSIVES		0.00	0.00	0.00	. 0.00	0.00	
GROSS EARN	INGS	0.00	6,964.21	0.00	0.00	6,964.21	
TOTAL REBAT	TES	0.00	2,847.01	0.00	0.00	2,847.01	
COMMISSION	S <sup>-</sup>	0.00	0.00	0.00	0.00	0.00	
CLIENT EARN	INGS	0.00	4,117.20	0.00	0.00	4,117.20	
BANK FEES		0.00	1,234.39	0.00	0.00	1,234.39	
NET INCOME		0.00	2,882.81	0.00	0.00	2,882.81	103
. ACCOUNT NUMBI	ER : 2618668						_
ACCOUNT NAME	: *BAYCO - BAIRD	-SL					
CURRENCY	: USD				•		
OPEN CASH		2,336.56	0.00	0.00	0.00	2,336.56	
TERM CASH		0.00	0.00	0.00	0.00	0.00	
NON CASH		7.72	0.00	0.00	0.00	7.72	
DEAL STOCKS	8	0.00	0.00	0.00	0.00	0.00	
EXCLUSIVES		0.00	0.00	0.00	0.00	0.00	
GROSS EARN	INGS	2,344.28	0.00	0.00	0.00	2,344.28	
TOTAL REBAT	ES	1,599.48	0.00	0.00	0,00	1,599.48	
COMMISSIONS	S	0.00	0.00	0.00 -	0.00	0.00	
CLIENT EARNI	INGS	744.80	0.00	0.00	0.00	744,80	
BANK FEES		223.26	0.00	0.00	0.00	223.26	
NET INCOME		521.54	0.00	0.00	0.00	521.54	

# Securities Lending

# Summary Earnings Report for MR

# FAMILY CODE FAM8765

From Sep 1, 2016 To Sep 30, 2016

Page 2 of 6

	US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
ACCOUNT NUMBER : 2622490					
ACCOUNT NAME : *BAYCO - MACKAY S	HIELDS -SL				
CURRENCY : USD					
OPEN CASH	1,722.61	315.35	49.79	241.63	2,329.38
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	316.61	0.00	0.00	0.00	316,61
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	2,039.22	315.35	49.79	241.63	2,645.99
TOTAL REBATES	18.81	125.36	16.07	77.47	237.71
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	2,020.41	189.99	33.72	164.16	. 2,408.28
BANK FEES	605.81	56.76	10.11	49.21	721.89
NET INCOME	1,414.60 `	133.23	23.61	114.95	1,686.39
ACCOUNT NUMBER : 2622536					
ACCOUNT NAME : *BAYCO - HOTCHKIS	& WILEY -SL				
CURRENCY : USD					
OPEN CASH	0.00	3,045.30	0.00	729.86	3,775.16
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	14.42	0.00	0.00	14.42
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	3,059.72	0.00	729.86	3,789.58
TOTAL REBATES	0.00	1,188.48	0.00	295.42	1,483.90
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	1,871.24	0.00	434.44.	2,305.68
		650.40	0.00	129.63	687.82
BANK FEES	0.00	558.19	0.00	129.03	1,617.86

# Securities Lending

# Summary Earnings Report for MR

# **FAMILY CODE FAM8765**

From Sep 1, 2016 To Sep 30, 2016

Page 3 of 6

		US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
ACCOUNT NUM	MBER: 2641401					
ACCOUNT NAM	ME : *BAYCO - LOOMIS.S	AYLES -SL				
CURRENCY	: USD					
OPEN CASI	Н	3,301.47	0.00	1,026.94	0.00	4,328.41
TERM CASI	H	0.00	0.00	0.00	0.00	0.00
NON CASH		. 77.04	0.00	1.76	0.00	78.80
DEAL STOC	CKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVE	ES .	0.00	0.00	0.00	0.00	0.00
GROSS EAF	RNINGS .	3,378.51	0.00	1,028.70	0.00	4,407.21
TOTAL REB	BATES	1,097.97	0.00	341.75	0.00	1,439.72
COMMISSIO	ONS	0.00	0.00	0.00	0.00	0.00
CLIENT EAF	RNINGS	2,280.54	0.00	686.95	0.00	2,967.49
BANK FEES		682.91	0.00	205.64	0.00	888.55
NET INCOM		1,597.63	0.00	481.31	0.00	2,078.94
ACCOUNT NUM	MBER : 2649057					
ACCOUNT NAM	ME : "BAYCO GENEVA CA	APITAL MGMT -SL				
CURRENCY	: USD					
OPEN CASH	4	0.00	6,321.29	0.00	125.92	6,447.21
TERM CASH	4	0.00	0.00	0.00	0.00	0.00
NON CASH		0.00	42.57	0.00	0.00	42.57
DEAL STOC	KS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVE	S	0.00	0.00	0.00	0.00	0.00
EVOCEOSIAE	RNINGS	0.00	6,363.86	0.00	125.92	6,489.78
GROSS EAF		0.00	2,471.16	0.00	51,38	2,522.54
		0.00		·		
GROSS EAF	ATES	0.00	0.00	0.00	0.00	0.00
GROSS EAF TOTAL REB	ATES DNS			0.00	0.00 74.54	0.00 3,967.24
GROSS EAF TOTAL REB COMMISSIC	ATES DNS RNINGS	0.00	0.00	•		

# Securities Lending

# Summary Earnings Report for MR

# FAMILY CODE FAM8765

From Sep 1, 2016 To Sep 30, 2016

Page 4 of 6

	US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
ACCOUNT NUMBER : 2653308					•
ACCOUNT NAME : *BAYCO - INTEGRITY -SL					
CURRENCY : USD					
OPENCACI	0.00	5,835.27	0.00	439.05	6,274.32
OPEN CASH	0.00	0.00	0.00	0.00	0.00
TERM CASH NON CASH	0.00	24.36	0.00	0.00	24.36
DEAL STOCKS	0.00	0.00	0.00	. 0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	5,859.63	0.00	439.05	6,298.68
TOTAL REBATES	0.00	2,267.96	0.00	176.32	2,444.28
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	3,591.67	0.00	262.73	3,854.40
BANK FEES	0.00	1,075.26	0.00	78.67	1,153.93
NET INCOME	0.00	2,516.41	0.00	184.06	2,700.47
NET INCOME	0.00	2,010.71	0.00		2,700.47
ACCOUNT NUMBER: 2663296		•			
ACCOUNT NAME : *BAYCO - CORNERSTONE	REALES-SL			,	
CURRENCY : USD				•	
0071101011		0.000.57	0.00	0.00	2.022.57
OPEN CASH	0.00	2,933.57	0.00	0.00	2,933.57
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	0,00	0.00	0.00	0.00
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	00.0	0.00	0.00	0.00
GROSS EARNINGS	0.00	2,933.57	0.00	0.00	2,933.57
TOTAL REBATES	0.00	1,191.39	0.00	0.00	1,191.39
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	1,742.18	0.00	0.00	1,742.18
BANK FEES	0.00	521.08	0.00	0.00	521.08
NET INCOME	0.00	1,221.10	0.00	0.00	1,221.10

### Securities Lending

### Summary Earnings Report for MR

#### FAMILY CODE FAM8765

From Sep 1, 2016 To Sep 30, 2016

Page 5 of 6

		US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
ACCOUNT NUMB	BER : 2683854				•	
ACCOUNT NAME	: *BAYCO - MFS INVESTMEN	NTS -SL				
CURRENCY	: USD					
			:			
OPEN CASH		0.00	5,948.68	0.00	741.73	6,690.41
TERM CASH		0.00	0.00	0.00	0.00	0.00
NON CASH		0.00	48.84	0.00	0.00	48.84
DEAL STOCK	:S	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	<b>;</b>	0.00	0.00	0.00	0.00	0.00
GROSS EARN	NINGS	0.00	5,997.52	0.00	741.73	6,739.25
TOTAL REBA	TES	0.00	2,388.17	0.00	194.73	2,582.90
COMMISSION	NS .	0.00	0.00	0.00	0.00	0.00
CLIENT EARN	NINGS	0.00	3,609.35	0.00	547.00	4,156.35
BANK FEES		0.00	1,081.55	0.00	164.00	1,245.55
NET INCOME		0.00	2,527.80	0.00	383.00	2,910.80
ACCOUNT NUMB	BER : 2695063			,		
CCOUNT NAME	: *BAYCO - EAGLE ASSET	-SL				
CURRENCY	: USD				,	
OPEN CASH		0.00	4,500.79	0.00	240.45	4,741.24
TERM CASH		0.00	0.00	0.00	0.00	0.00
NON CASH		0.00	72.83	0.00	0.00	72.83
DEAL STOCK	S	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	•	0.00	0.00	0.00	0.00	0.00
GROSS EARN	NINGS	0.00	4,573.62	0.00	240.45	4,814.07
TOTAL REBAT	TES	0.00	1,247.56	0.00	92.51	1,340.07
	IS	0.00	0.00	0.00	0.00	0.00
COMMISSION			2 220 00	0.00	147.94	3,474.00
COMMISSION CLIENT EARN	IINGS	0.00	3,326.06	0.00	141.54	0,4711,50
	NINGS	0.00 0.00	3,326.06 994.50	0.00	44.21	1,038.71

# Securities Lending

## Summary Earnings Report for MR

**FAMILY CODE FAM8765** 

From Sep 1, 2016 To Sep 30, 2016

Page 6 of 6

	US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
3		-			
GRAND TOTAL					
CURRENCY : USD					
OPEN CASH	7,360.64	35,864.46	1,076.73	2,518.64	46,820.47
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	401.37	203.02	1.76	0.00	606.15
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	7,762.01	36,067.48	1,078.49	2,518.64	47,426.62
TOTAL REBATES	2,716.26	13,727.09	357.82	887.83	17,689.00
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	5,045.75	22,340.39	720.67	1,630.81	29,737.62
BANK FEES	1,511.98	6,688.22	215.75	488.06	8,904.01
NET INCOME	3,533.77	15,652.17	504.92	1,142.75	20,833.61

Although this report has been prepared using information believed to be reliable, it may contain information provided by third parties or derived from third party information, and/or information that may have been obtained from, categorized or otherwise reported based upon client direction. The Northern Trust Company does not guarantee the accuracy, timeliness or completeness of any such information. The information included in this report is intended to assist clients with their financial reporting needs, but you must consult with your accountants, auditors and/or legal counsel to ensure your accounting and financial reporting compiles with applicable laws, regulations and accounting guidance. The Northern Trust Company and its affiliates shall have no responsibility for the consequences of investment decisions made in reliance on information contained in this report.

Northern Trust

\* Generated on 07 Nov 16 15:40 No.60525

EMPLOYEE/BENEFICIARY	CONTRIBUTIONS	PROCESSED	DEPARTMENT	TERMINATION
Holland, Robert	9,760.04	10/12/16	BABH	
Woods, Jennifer	137.63	10/18/16	BMCF	9/10/16
Szyperski, Jolene	31,692.71	10/18/16	Sheriff	7/17/16
Haas, Angela	7,891.73	10/18/16	BABH	7/15/16
Degase, Brenda	1,297.78	10/26/16	BABH	9/30/16
Bordeaux, Lary	3,757.53	10/26/16	ROAD	9/9/16

TOTAL REFUNDS:

54,537.42

NEW RETIREE	CONTRIBUTIONS TRANSFERRED	RETIREMENT GROUP/ COUNTY DEPT	EFFECTIVE DATE	
Scott, Bonnie	23,610.18	BMCF	10/15/2016	
Smith, Patrice	20,465.35	BMCF - Defer	11/7/2016	
Putt, Tomas	94,422.12	General	10/22/2016	

DECEASED EMPLOYEE/ RETIREE	BENEFICIARY	REFUND/ PENSION	DATE OF DEATH	DIVISION/ DEPARTMENT
Deshano, Donald	Deshano, Violia	1086.52	10/26/2016	ROAD

NO REFUNDS	ACCUMULATED	UNION	DATE
EMPLOYEE NAME	CONTRIBUTIONS	GROUP	TERMINATED
DUKE, SYDNIE	308.84	BMC GEN UNIT	9/13/2016
DENSMORE, TANYA	1,717.11	BMC GEN UNIT	9/13/2016
PUDVAN, KIMBERLY	400.01	BMC GEN UNIT	9/30/2016

2,425.96

TRANFRY   TRAN								
FUND BALANCE   -			TRANFRS/A					
FUND BALANCE RESERVES	ACCOUNT DESCRIPTION	ORIGINAL APPROP	DJSMTS	REVISED BUDGET	YTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	
NET ASSETS - RESERVES	FUND BALANCE	-	-	-	-	-	-	0%
Teal R FUND BALANCE, NET AS	FUND BALANCE-RESRVS/DSGNATIONS	-	-	-	-	-	-	0%
RECONTR-BEHAVE HEALTH	NET ASSETS - RESERVES	4,601,447.00	-	4,601,447.00	-	-	4,601,447.00	0%
ER CONTR-MOSQUITO CONT   (13,000.00)   (13,000.00)   (8,818.25)   (1,181.75)   (888)   ER CONTR-ROAD COMMISS.   (55,000.00)   (55,000.00)   (315,627.80)   (20,372.20)   (588)   ER CONTR-ROAD COMMISS.   (55,000.00)   (55,000.00)   (315,627.80)   (20,372.20)   (588)   ER CONTR-GOLF COURSE   (15,000.00)   (180,000.00)   (43,022.55)   (16,870.65)   (23,372.55)   (238)   (23,372.55)   (238)   (23,372.55)   (238)   (23,372.55)   (238)   (23,372.55)   (238)   (23,372.55)   (238)   (23,372.55)   (238)   (23,372.55)   (23,375.55)   (23	Total RA FUND BALANCE, NET AS	4,601,447.00	-	4,601,447.00	-	-	4,601,447.00	0%
ER CONTR-HEALTH FUND	ER CONTR-BEHAVE.HEALTH	(1,100,000.00)	-	(1,100,000.00)	(829,112.00)	-	(270,888.00)	75%
ER CONTR-ROAD COMMISS.   \$55,000.00   .   \$55,000.00   319,627.80   .   \$23,072.20   .   \$88   ER CONTR-ROAD COMMISS.   \$15,000.00   .   \$180,000.00   .   \$13,029.55   .   \$15,670.76   .   \$24   ER CONTR-GOLF COURSE   .   \$15,000.00   .   \$130,000.00   .   \$2,234.5   .   .   .   .   .   .   .   .   .	ER CONTR-MOSQUITO CONT	(13,000.00)	-	(13,000.00)	(8,818.25)	-	(4,181.75)	68%
RECONTR-LIBRARY	ER CONTR-HEALTH FUND	(60,000.00)	-	(60,000.00)	(48,224.72)	-	(11,775.28)	80%
ER CONTR-GOLIF COURSE (5,000.00) - (5,000.00) (2,623.45) - (2,376.55) 53% ER CONTR-GENERAL FUND (375,000.00) - (375,000.00) (279,190.27) - (95,807.37) 75% ER CONTR-DWS (375,000.00) - (375,000.00) (286,666.25) - (82,337.57) 77% ER CONTR-DWS (45,000.00) - (45,000.00) (29,108.44) - (15,891.56) 65% CR CONTR-911 SERVICE (46,000.00) - (45,000.00) (29,108.44) - (15,891.56) 65% CR CONTR-DWS (40,000.00) - (40,000.00) (29,309.52) - (10,690.48) 74% ER CONTR-DWS (40,000.00) - (40,000.00) (35,507.23) - (7,492.77) 83% ER CONTR-ENIER SYSTEM (19,000.00) - (19,000.00) (13,211.23) - (578,77) 70% ER CONTR-HOMELAND S FD (3,000.00) - (10,000.00) (13,211.23) - (13,000.00) - (10,000.00) -	ER CONTR-ROAD COMMISS.	(550,000.00)	-	(550,000.00)	(319,627.80)	-	(230,372.20)	58%
ER CONTR-GENERAL FUND         (375,000.00)         -         (375,000.00)         (279,190.27)         -         (98,80.73)         75%           ER CONTR-DWS         (375,000.00)         -         (375,000.00)         (286,66.25)         -         (88,233.75)         77%           ER CONTR-DWS         (45,000.00)         -         (45,000.00)         (29,108.44)         -         (15,891.56)         65%           ER CONTR-CHILD CARE         (40,000.00)         -         (43,000.00)         (29,305.22)         -         (10,69.48)         74%           ER CONTR-BOWN         (43,000.00)         -         (43,000.00)         (15,507.23)         -         (7,492.77)         83%           ER CONTR-SEVISEM         (1,900.00)         -         (1,900.00)         (1,334.41)         -         (56.56)         68%           ER CONTR-DWSY MOTH         (2,000.00)         -         (2,000.00)         (1,33.44)         -         (66.56)         68%           ER CONTR-BOWS MOTH         (30,000.00)         -         (2,000.00)         (15,900.00)         (55.02)         -         (1,104.23)         69%           ER CONTR-BOWS MARPWITH         (33,000.00)         -         (30,000.00)         (169,921.64)         4         430,008.00	ER CONTR-LIBRARY	(180,000.00)	-	(180,000.00)	(43,029.55)	-	(136,970.45)	24%
RE CONTR-DWS	ER CONTR-GOLF COURSE	(5,000.00)	-	(5,000.00)	(2,623.45)	-	(2,376.55)	53%
ER CONTR-911 SERVICE         (45,000.00)         (29,108.44)         (15,891.56)         65%           ER CONTR-CHILD CARE         (40,000.00)         -         (40,000.00)         (29,390.52)         -         (10,690.48)         74%           ER CONTR-CHILD CARE         (43,000.00)         -         (43,000.00)         (35,507.23)         -         (7,492.77)         83%           ER CONTR-HOND ON AGING         (43,000.00)         -         (1,900.00)         (1,300.00)         -         (3,000.00)         -         (3,000.00)         -         (3,000.00)         -         (3,000.00)         -         (3,000.00)         -         (3,000.00)         -         (3,000.00)         -         (3,000.00)         -         (3,000.00)         -         (3,000.00)         -         (3,000.00)         -         (3,000.00)         -         (3,000.00)         -         (3,000.00)         -         (3,000.00)         -         (3,000.00)         -         (3,000.00)         -         (3,000.00)         -         (3,000.00)         -         (1,14.29)         31%         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -	ER CONTR-GENERAL FUND	(375,000.00)	-	(375,000.00)	(279,190.27)	-	(95,809.73)	75%
ER CONTR-CHILD CARE         (40,000,00)         (29,300,52)         (10,609,48)         74%           ER CONTR-DIV ON AGING         (43,000,00)         (43,000,00)         (35,507,23)         (7,492,77)         83%           ER CONTR-RETIRE SYSTEM         (1,900,00)         (1,900,00)         (1,321,23)         (578,77)         70%           ER CONTR-HOMELAND S FD         (3,000,00)         (2,000,00)         (1,353,44)         (66,50)         68%           ER CONTR-HOME REHABL         (180,00)         (180,00)         (55,02)         (164,58)         68%           ER CONTR-HOME REHABL         (180,00)         (180,00)         (55,02)         (10,142,39)         69%           ER CONTR-SYPYMT         (3,300,00)         (33,00,00)         (2,285,77)         (10,142,39)         69%           ER CONTR-SHE INSURANC         (600,000,00)         (600,000,00)         (180,000,00)         (317,00)         (430,078,36)         28%           ER CONTR-CORM.CORRECT         (2,100,00)         (1,397,56)         (48,300,80)         63%           ER CONTR-HOUSING FUND         (6,000,00)         (1,297,56)         (502,44)         80%           ER CONTR-LOCAL CFO TR         (300,00)         (5,000,00)         (12,450,00)         (12,750,00)         (12,450,00)         (12,4	ER CONTR-DWS	(375,000.00)	-	(375,000.00)	(286,766.25)	-	(88,233.75)	77%
ER CONTR-DIV ON AGING         (43,000.00)         - (43,000.00)         (15,007.23)         - (7,492.77)         83%           ER CONTR-RETIRE SYSTEM         (1,900.00)         - (1,900.00)         (1,312.123)         - (578.77)         70%           ER CONTR-HOMELAND S FD         (3,000.00)         - (3,000.00)         - (3,000.00)         - (3,000.00)         - (68%           ER CONTR-HOME REHABIL         (180.00)         - (180.00)         (55.02)         - (1,014.23)         65%           ER CONTR-HOME REHABIL         (180.00)         - (33,00.00)         (2,285.77)         - (1,014.23)         65%           ER CONTR-HOME REHABIL         (600,000.00)         - (600,000.00)         (169,000.00)         (2,285.77)         - (1,014.23)         65%           ER CONTR-ELI FISURANC         (600,000.00)         - (600,000.00)         (169,000.00)         - (313.00)         - (283.00)         2.3%           ER CONTR-COMM.CORRECT.         (2,100.00)         - (2,500.00)         (1,915.64)         - (783.06)         63%           ER CONTR-ELINEJARO         (6,000.00)         - (6,000.00)         (1,917.40)         - (150.00.00)         - (315.64)         8%           ER CONTR-ELI FISURANC         (6,000.00)         - (6,000.00)         (1,917.40)         - (1,917.40)         - (1,917.40)	ER CONTR-911 SERVICE	(45,000.00)	-	(45,000.00)	(29,108.44)	-	(15,891.56)	65%
ER CONTR-RETIRE SYSTEM         (1,900.00)         - (1,900.00)         (1,321.23)         - (578.77)         70%           ER CONTR-HOMELAND S FD         (3,000.00)         - (3,000.00)         - (3,000.00)         - (3,000.00)         0%           ER CONTR-GPSY MOTH         (2,000.00)         - (2,000.00)         (1353.44)         - (646.56)         68%           ER CONTR-HOME REHABIL         (180.00)         - (180.00)         (55.02)         - (124.98)         31%           ER CONTR-HOME REHABIL         (180.00)         - (3,300.00)         (55.02)         - (124.98)         31%           ER CONTR-MED CARE FAC.         (600.000.00)         - (600.000.00)         (139.000)         (12,285.77)         - (1,014.23)         69%           ER CONTR-SELF INSURANC         (600.000)         - (600.00)         (317.00)         - (283.00)         53%           ER CONTR-COMR.CORRECT.         (2,100.00)         - (2,500.00)         (1,997.56)         - (783.06)         63%           ER CONTR-HOLISING FUND         (6,000.00)         - (6,000.00)         (1,197.41)         - (1,802.59)         70%           ER CONTR-BCHACH FLETCH         (5,000.00)         - (315.26)         315.26         100%           ER CONTR-BCHACH FLETCH         (5,000.00)         - (5,000.00)         - (	ER CONTR-CHILD CARE	(40,000.00)	-	(40,000.00)	(29,390.52)	-	(10,609.48)	74%
ER CONTR-HOMELAND S FD         (3,000.00)         -         (3,000.00)         -         (3,000.00)         0%           ER CONTR-GYPSY MOTH         (2,000.00)         -         (2,000.00)         (1,353.44)         -         (646.55)         68%           ER CONTR-MOME REHABIL         (180.00)         -         (180.00)         (55.02)         -         (1,014.23)         69%           ER CONTR-MOM SEHABIL         (3,300.00)         -         (3,300.00)         (2,285.77)         -         (1,014.23)         69%           ER CONTR-SEL FIASURANC         (600.00)         -         (600.00)         (317.00)         -         (33.00)         -         (33.00)         -         (33.00)         -         (33.00)         -         (33.00)         -         -         (30.00)         -         (30.00)         -         (30.00)         -         (30.00)         -         (30.00)         -         (30.00)         -         (30.00)         -	ER CONTR-DIV ON AGING	(43,000.00)	-	(43,000.00)	(35,507.23)	-	(7,492.77)	83%
ER CONTR-GYPSY MOTH         (2,000.00)         -         (2,000.00)         (1,353.44)         -         (646.56)         68%           ER CONTR-HOME REHABIL.         (180.00)         -         (1,300.00)         (55.02)         -         (1,24.98)         31%           ER CONTR-HOME REHABIL.         (180.00)         -         (3,300.00)         (2,285.77)         -         (1,14.23)         69%           ER CONTR-MED CARE FAC.         (600.000.00)         -         (600.000.00)         (131.00)         -         (430,078.36)         28%           ER CONTR-COMM-CORRECT.         (2(100.00)         -         (600.00)         (317.00)         -         (283.00)         53%           ER CONTR-FO.C. FUND         (2,500.00)         -         (2,100.00)         (1,316.94)         -         (783.06)         63%           ER CONTR-HOUSING FUND         (6,000.00)         -         (2,500.00)         (1,997.56)         -         (502.44)         80%           ER CONTR-HOUSING FUND         (6,000.00)         -         (6,000.00)         (4,197.41)         -         (1,802.59)         70%           ER CONTR-BLEAD FUND         (6,000.00)         -         (5,000.00)         (4,197.41)         -         (1,802.59)         70%	ER CONTR-RETIRE SYSTEM	(1,900.00)	-	(1,900.00)	(1,321.23)	-	(578.77)	70%
ER CONTR-HOME REHABIL.         (180.00)         -         (180.00)         (55.02)         -         (124.98)         31%           ER CONTR-HOME REHABIL.         (3,300.00)         -         (3,300.00)         (2,285.77)         -         (1,014.23)         69%           ER CONTR-MED CARE FAC.         (600,000.00)         -         (600,000.00)         (169,921.64)         -         (430,078.36)         28%           ER CONTR-COMM.CORRECT.         (2,100.00)         -         (600.00)         (1,316.94)         -         (783.06)         63%           ER CONTR-FOUND         (2,500.00)         -         (5,000.00)         (1,997.56)         -         (502.44)         80%           ER CONTR-HOUSING FUND         (6,000.00)         -         (6,000.00)         (4,197.41)         -         (1,802.59)         70%           ER CONTR-HOUSING FUND         (6,000.00)         -         (6,000.00)         (4,197.41)         -         (1,802.59)         70%           ER CONTR-HOUSING FUND         (6,000.00)         -         (300.00)         -         -         (315.06         42%           ER CONTR-BENAD         -         (300.00)         -         -         (315.00         6         (5,000.00)         -         -	ER CONTR-HOMELAND S FD	(3,000.00)	-	(3,000.00)	-	=	(3,000.00)	0%
ER CONTR-100% TAX PYMT         (3,300.00)         -         (3,300.00)         (2,285.77)         -         (1,014.23)         69%           ER CONTR-MED CARE FAC.         (600,000.00)         -         (600,000.00)         (169,921.64)         -         (430,078.36)         28%           ER CONTR-SELF INSURANC         (600.00)         -         (600.00)         (317.00)         -         (283.00)         53%           ER CONTR-COMM.CORRECT.         (2,100.00)         -         (2,100.00)         (1,316.94)         -         (783.06)         63%           ER CONTR-F.O.C. FUND         (2,500.00)         -         (2,500.00)         (1,997.56)         -         (502.44)         80%           ER CONTR-HOUSING FUND         (6,000.00)         -         (6,000.00)         (1,197.56)         -         (1,802.59)         70%           ER CONTR-HOUSING FUND         (6,000.00)         -         (300.00)         (12,456)         -         (1,802.59)         70%           ER CONTR-SHERIFF DEPT         (300.00)         -         (315.26)         -         (315.26         10%         10%           EE CONTR-SHAWE, HEALTH         (500,000.00)         -         (5,000.00)         -         -         (5,000.00)         -         (15,000.	ER CONTR-GYPSY MOTH	(2,000.00)	-	(2,000.00)	(1,353.44)	-	(646.56)	68%
ER CONTR-MED CARE FAC.         (600,000.00)         - (600,000.00)         (169,921.64)         - (430,078.36)         28%           ER CONTR-SELF INSURANC         (600.00)         - (600.00)         (317.00)         - (283.00)         53%           ER CONTR-COMM.CORRECT.         (2,100.00)         - (2,100.00)         (1,316.94)         - (783.06)         63%           ER CONTR-F.O.C. FUND         (2,500.00)         - (2,500.00)         (1,997.56)         - (502.44)         80%           ER CONTR-HOUSING FUND         (6,000.00)         - (6,000.00)         (4,197.41)         - (1,802.59)         70%           ER CONTR-LOCAL CFOTR         (300.00)         - (300.00)         (124.46)         - (175.54)         42%           ER CONTR-SITOL         - (5,000.00)         - (315.26)         - 315.26         10%           ER CONTR-SHERIFF DEPT         (5,000.00)         - (5,000.00)         - (5,000.00)         - (5,000.00)         - (5,000.00)         - (5,000.00)         - (5,000.00)         - (5,000.00)         - (5,000.00)         - (5,000.00)         - (5,000.00)         - (135,266.35)         73%         - (5,000.00)         - (5,000.00)         - (5,000.00)         - (5,000.00)         - (5,000.00)         - (5,000.00)         - (5,000.00)         - (135,266.35)         73%         - (5,000.00)	ER CONTR-HOME REHABIL.	(180.00)	-	(180.00)	(55.02)	-	(124.98)	31%
ER CONTR-SELF INSURANC         (600.00)         -         (600.00)         (317.00)         -         (283.00)         53%           ER CONTR-COMM.CORRECT.         (2,100.00)         -         (2,100.00)         (1,316.94)         -         (783.06)         63%           ER CONTR-F.O.C. FUND         (2,500.00)         -         (2,500.00)         (1,997.56)         -         (502.44)         80%           ER CONTR-HOUSING FUND         (6,000.00)         -         (6,000.00)         (4,197.41)         -         (1,802.59)         70%           ER CONTR-LOCAL CFO TR         (300.00)         -         (300.00)         (124.46)         -         (175.54)         42%           ER CONTR-SHERIFF DEPT         (5,000.00)         -         (5,000.00)         -         -         (5,000.00)         -         -         (5,000.00)         0%           EE CONTR-BEHAVE.HEALTH         (500,000.00)         -         (500,000.00)         (364,733.65)         -         (135,266.35)         73%           EE CONTR-HOSQUITO CONT         (12,750.00)         -         (12,750.00)         (38,18.25)         -         (13,917.5)         69%           EE CONTR-HOLDRACH         (31,000.00)         -         (12,750.00)         (43,000.00)         (	ER CONTR-100% TAX PYMT	(3,300.00)	-	(3,300.00)	(2,285.77)	-	(1,014.23)	69%
ER CONTR-COMM.CORRECT.         (2,100.00)         -         (2,100.00)         (1,316.94)         -         (783.06)         63%           ER CONTR-F.O.C. FUND         (2,500.00)         -         (2,500.00)         (1,997.56)         -         (502.44)         80%           ER CONTR-HOUSING FUND         (6,000.00)         -         (6,000.00)         (4,197.41)         -         (1,802.59)         70%           ER CONTR-LOCAL CFO TR         (300.00)         -         (300.00)         (124.46)         -         (175.54)         42%           ER CONTR-BEONC PISTOL         -         -         -         -         (300.00)         -         (315.26)         -         15,000.00)         0%           ER CONTR-SHERIFF DEPT         (5,000.00)         -         (5,000.00)         -         -         (5,000.00)         -         -         (5,000.00)         0%           EE CONTR-BEHAVE.HEALTH         (500,000.00)         -         (500,000.00)         (364,733.65)         -         (135,266.35)         73%           EE CONTR-HOSQUITO CONT         (12,750.00)         (12,750.00)         (8,818.25)         -         (3,931.75)         69%           EE CONTR-ROAD COMMISS.         (13,000.00)         (130,000.00)         (94,609.10)<	ER CONTR-MED CARE FAC.	(600,000.00)	-	(600,000.00)	(169,921.64)	-	(430,078.36)	28%
ER CONTR-COMM.CORRECT.         (2,100.00)         -         (2,100.00)         (1,316.94)         -         (783.06)         63%           ER CONTR-F.O.C. FUND         (2,500.00)         -         (2,500.00)         (1,997.56)         -         (502.44)         80%           ER CONTR-HOUSING FUND         (6,000.00)         -         (6,000.00)         (4,197.41)         -         (1,802.59)         70%           ER CONTR-LOCAL CFO TR         (300.00)         -         (300.00)         (124.46)         -         (175.54)         42%           ER CONTR-BEONC PISTOL         -         -         -         -         (300.00)         -         (315.26)         -         15,000.00)         0%           ER CONTR-SHERIFF DEPT         (5,000.00)         -         (5,000.00)         -         -         (5,000.00)         -         -         (5,000.00)         0%           EE CONTR-BEHAVE.HEALTH         (500,000.00)         -         (500,000.00)         (364,733.65)         -         (135,266.35)         73%           EE CONTR-HOSQUITO CONT         (12,750.00)         (12,750.00)         (8,818.25)         -         (3,931.75)         69%           EE CONTR-ROAD COMMISS.         (13,000.00)         (130,000.00)         (94,609.10)<	ER CONTR-SELF INSURANC	(600.00)	-	(600.00)	(317.00)	-	(283.00)	53%
ER CONTR-F.O.C. FUND         (2,500.00)         -         (2,500.00)         (1,997.56)         -         (502.44)         80%           ER CONTR-HOUSING FUND         (6,000.00)         -         (6,000.00)         (4,197.41)         -         (1,802.59)         70%           ER CONTR-LOCAL CFO TR         (300.00)         -         (300.00)         (124.46)         -         (175.54)         42%           ER CONTRIB-CONC PISTOL         -         -         (315.26)         -         315.26         100           ER CONTR-SHERIFF DEPT         (5,000.00)         -         (5,000.00)         -         -         (5,000.00)         0%           EE CONTR-BEHAVE.HEALTH         (500,000.00)         -         (500,000.00)         (364,733.65)         -         (135,266.35)         73%           EE CONTR-MOSQUITO CONT         (12,750.00)         -         (60,000.00)         (8,818.25)         -         (3,931.75)         69%           EE CONTR-ROAD COMMISS.         (313,000.00)         -         (60,000.00)         (94,609.10)         -         (15,980.83)         72%           EE CONTR-LIBRARY         (75,000.00)         -         (75,000.00)         (39,122.13)         -         (1,576.55)         63%           EE CONTR-	ER CONTR-COMM.CORRECT.	(2,100.00)	-	(2,100.00)	(1,316.94)	-		63%
ER CONTR-LOCAL CFO TR         (300.00)         -         (300.00)         (124.46)         -         (175.54)         42%           ER CONTRIB-CONC PISTOL         -         -         -         -         (315.26)         -         315.26         100%           ER CONTR-SHERIF DEPT         (5,000.00)         -         (5,000.00)         -         -         (5,000.00)         0%           EE CONTR-BEHAVE.HEALTH         (500,000.00)         -         (500,000.00)         (364,733.65)         -         (135,266.35)         73%           EE CONTR-MOSQUITO CONT         (12,750.00)         -         (12,750.00)         (8,818.25)         -         (3,931.75)         69%           EE CONTR-HEALTH FUND         (60,000.00)         -         (60,000.00)         (43,001.77)         -         (16,980.83)         72%           EE CONTR-GOAD COMMISS.         (130,000.00)         -         (130,000.00)         (94,609.10)         -         (15,590.90)         73%           EE CONTR-LIBRARY         (75,000.00)         -         (75,000.00)         (39,122.13)         -         (35,877.87)         52%           EE CONTR-GOLF COURSE         (4,200.00)         -         (4,200.00)         (2,623.45)         -         (1,576.55)         63%<	ER CONTR-F.O.C. FUND	(2,500.00)	-	(2,500.00)	(1,997.56)	-	(502.44)	80%
ER CONTRIB-CONC PISTOL         -         -         -         (5,000.00)         -         315.26         100%           ER CONTR-SHERIFF DEPT         (5,000.00)         -         (5,000.00)         -         (5,000.00)         -         (5,000.00)         0%           EE CONTR-BEHAVE.HEALTH         (500,000.00)         -         (500,000.00)         (364,733.65)         -         (135,266.35)         73%           EE CONTR-MOSQUITO CONT         (12,750.00)         -         (12,750.00)         (8,818.25)         -         (3,931.75)         69%           EE CONTR-HEALTH FUND         (60,000.00)         -         (60,000.00)         (43,019.17)         -         (16,980.83)         72%           EE CONTR-COMMISS.         (130,000.00)         -         (130,000.00)         (94,609.10)         -         (35,397.87)         73%           EE CONTR-GOLF COURSE         (4,200.00)         -         (75,000.00)         (39,122.13)         -         (1,576.55)         63%           EE CONTR-GENERAL FUND         (450,000.00)         -         (450,000.00)         (30,532.01)         -         (14,467.99)         68%           EE CONTR-DWS         (85,000.00)         -         (85,000.00)         (39,933.64)         -         (20,066.36) <td>ER CONTR-HOUSING FUND</td> <td>(6,000.00)</td> <td>-</td> <td>(6,000.00)</td> <td>(4,197.41)</td> <td>-</td> <td>(1,802.59)</td> <td>70%</td>	ER CONTR-HOUSING FUND	(6,000.00)	-	(6,000.00)	(4,197.41)	-	(1,802.59)	70%
ER CONTR-SHERIFF DEPT         (5,000.00)         -         (5,000.00)         -         (5,000.00)         0%           EE CONTR-BEHAVE.HEALTH         (500,000.00)         -         (500,000.00)         (364,733.65)         -         (135,266.35)         73%           EE CONTR-MOSQUITO CONT         (12,750.00)         -         (12,750.00)         (8,818.25)         -         (3,931.75)         69%           EE CONTR-HEALTH FUND         (60,000.00)         -         (60,000.00)         (43,019.17)         -         (16,980.83)         72%           EE CONTR-GOAD COMMISS.         (130,000.00)         -         (130,000.00)         (94,609.10)         -         (35,390.90)         73%           EE CONTR-LIBRARY         (75,000.00)         -         (75,000.00)         (39,122.13)         -         (35,877.87)         52%           EE CONTR-GOLF COURSE         (4,200.00)         -         (4,200.00)         (2,623.45)         -         (1,576.55)         63%           EE CONTR-GENERAL FUND         (450,000.00)         -         (450,000.00)         (305,532.01)         -         (144,467.99)         68%           EE CONTR-DWS         (85,000.00)         -         (85,000.00)         (180,777.10)         -         95,777.10         213%	ER CONTR-LOCAL CFO TR	(300.00)	-	(300.00)	(124.46)	-	(175.54)	42%
EE CONTR-BEHAVE.HEALTH         (500,000.00)         -         (500,000.00)         (364,733.65)         -         (135,266.35)         73%           EE CONTR-MOSQUITO CONT         (12,750.00)         -         (12,750.00)         (8,818.25)         -         (3,931.75)         69%           EE CONTR-HEALTH FUND         (60,000.00)         -         (60,000.00)         (43,019.17)         -         (16,980.83)         72%           EE CONTR-ROAD COMMISS.         (130,000.00)         -         (130,000.00)         (94,609.10)         -         (35,390.90)         73%           EE CONTR-LIBRARY         (75,000.00)         -         (75,000.00)         (39,122.13)         -         (35,877.87)         52%           EE CONTR-GOLF COURSE         (4,200.00)         -         (4,200.00)         (2,623.45)         -         (1,576.55)         63%           EE CONTR-GENERAL FUND         (450,000.00)         -         (450,000.00)         (305,532.01)         -         (144,467.99)         68%           EE CONTR-DWS         (85,000.00)         -         (85,000.00)         (180,777.10)         -         95,777.10         213%           EE CONTR-911 SERVICE         (60,000.00)         -         (60,000.00)         (39,933.64)         -         (20,0	ER CONTRIB-CONC PISTOL	-	-	-	(315.26)	-	315.26	100%
EE CONTR-BEHAVE.HEALTH         (500,000.00)         -         (500,000.00)         (364,733.65)         -         (135,266.35)         73%           EE CONTR-MOSQUITO CONT         (12,750.00)         -         (12,750.00)         (8,818.25)         -         (3,931.75)         69%           EE CONTR-HEALTH FUND         (60,000.00)         -         (60,000.00)         (43,019.17)         -         (16,980.83)         72%           EE CONTR-ROAD COMMISS.         (130,000.00)         -         (130,000.00)         (94,609.10)         -         (35,390.90)         73%           EE CONTR-LIBRARY         (75,000.00)         -         (75,000.00)         (39,122.13)         -         (35,877.87)         52%           EE CONTR-GOLF COURSE         (4,200.00)         -         (4,200.00)         (2,623.45)         -         (1,576.55)         63%           EE CONTR-GENERAL FUND         (450,000.00)         -         (450,000.00)         (305,532.01)         -         (144,467.99)         68%           EE CONTR-DWS         (85,000.00)         -         (85,000.00)         (180,777.10)         -         95,777.10         213%           EE CONTR-911 SERVICE         (60,000.00)         -         (60,000.00)         (39,933.64)         -         (20,0	ER CONTR-SHERIFF DEPT	(5,000.00)	-	(5,000.00)	-	-	(5,000.00)	0%
EE CONTR-MOSQUITO CONT         (12,750.00)         -         (12,750.00)         (8,818.25)         -         (3,931.75)         69%           EE CONTR-HEALTH FUND         (60,000.00)         -         (60,000.00)         (43,019.17)         -         (16,980.83)         72%           EE CONTR-ROAD COMMISS.         (130,000.00)         -         (130,000.00)         (94,609.10)         -         (35,390.90)         73%           EE CONTR-LIBRARY         (75,000.00)         -         (75,000.00)         (39,122.13)         -         (35,877.87)         52%           EE CONTR-GOLF COURSE         (4,200.00)         -         (4,200.00)         (2,623.45)         -         (1,576.55)         63%           EE CONTR-GENERAL FUND         (450,000.00)         -         (450,000.00)         (305,532.01)         -         (144,467.99)         68%           EE CONTR-DWS         (85,000.00)         -         (85,000.00)         (180,777.10)         -         95,777.10         213%           EE CONTR-911 SERVICE         (60,000.00)         -         (60,000.00)         (39,933.64)         -         (20,066.36)         67%           EE CONTR-CHILD CARE         (40,000.00)         -         (40,000.00)         (32,572.29)         -         (10,427.71)<	EE CONTR-BEHAVE.HEALTH		-	(500,000.00)	(364,733.65)	-	(135,266.35)	73%
EE CONTR-ROAD COMMISS.         (130,000.00)         -         (130,000.00)         (94,609.10)         -         (35,390.90)         73%           EE CONTR-LIBRARY         (75,000.00)         -         (75,000.00)         (39,122.13)         -         (35,877.87)         52%           EE CONTR-GOLF COURSE         (4,200.00)         -         (4,200.00)         (2,623.45)         -         (1,576.55)         63%           EE CONTR-GENERAL FUND         (450,000.00)         -         (450,000.00)         (305,532.01)         -         (144,467.99)         68%           EE CONTR-DWS         (85,000.00)         -         (85,000.00)         (180,777.10)         -         95,777.10         213%           EE CONTR-911 SERVICE         (60,000.00)         -         (60,000.00)         (39,933.64)         -         (20,066.36)         67%           EE CONTR-CHILD CARE         (40,000.00)         -         (40,000.00)         (26,627.04)         -         (13,372.96)         67%           EE CONTR-DIV ON AGING         (43,000.00)         -         (43,000.00)         (32,572.29)         -         (10,427.71)         76%	EE CONTR-MOSQUITO CONT		-					69%
EE CONTR-ROAD COMMISS.         (130,000.00)         -         (130,000.00)         (94,609.10)         -         (35,390.90)         73%           EE CONTR-LIBRARY         (75,000.00)         -         (75,000.00)         (39,122.13)         -         (35,877.87)         52%           EE CONTR-GOLF COURSE         (4,200.00)         -         (4,200.00)         (2,623.45)         -         (1,576.55)         63%           EE CONTR-GENERAL FUND         (450,000.00)         -         (450,000.00)         (305,532.01)         -         (144,467.99)         68%           EE CONTR-DWS         (85,000.00)         -         (85,000.00)         (180,777.10)         -         95,777.10         213%           EE CONTR-911 SERVICE         (60,000.00)         -         (60,000.00)         (39,933.64)         -         (20,066.36)         67%           EE CONTR-CHILD CARE         (40,000.00)         -         (40,000.00)         (26,627.04)         -         (13,372.96)         67%           EE CONTR-DIV ON AGING         (43,000.00)         -         (43,000.00)         (32,572.29)         -         (10,427.71)         76%	EE CONTR-HEALTH FUND	(60,000.00)	-	(60,000.00)	(43,019.17)	-	(16,980.83)	72%
EE CONTR-LIBRARY         (75,000.00)         -         (75,000.00)         (39,122.13)         -         (35,877.87)         52%           EE CONTR-GOLF COURSE         (4,200.00)         -         (4,200.00)         (2,623.45)         -         (1,576.55)         63%           EE CONTR-GENERAL FUND         (450,000.00)         -         (450,000.00)         (305,532.01)         -         (144,467.99)         68%           EE CONTR-DWS         (85,000.00)         -         (85,000.00)         (180,777.10)         -         95,777.10         213%           EE CONTR-911 SERVICE         (60,000.00)         -         (60,000.00)         (39,933.64)         -         (20,066.36)         67%           EE CONTR-CHILD CARE         (40,000.00)         -         (43,000.00)         (26,627.04)         -         (13,372.96)         67%           EE CONTR-DIV ON AGING         (43,000.00)         -         (43,000.00)         (32,572.29)         -         (10,427.71)         76%	EE CONTR-ROAD COMMISS.		-	(130,000.00)			(35,390.90)	73%
EE CONTR-GENERAL FUND       (450,000.00)       -       (450,000.00)       -       (144,467.99)       68%         EE CONTR-DWS       (85,000.00)       -       (85,000.00)       -       95,777.10       -       95,777.10       213%         EE CONTR-911 SERVICE       (60,000.00)       -       (60,000.00)       (39,933.64)       -       (20,066.36)       67%         EE CONTR-CHILD CARE       (40,000.00)       -       (40,000.00)       (26,627.04)       -       (13,372.96)       67%         EE CONTR-DIV ON AGING       (43,000.00)       -       (43,000.00)       (32,572.29)       -       (10,427.71)       76%	EE CONTR-LIBRARY	(75,000.00)	-	(75,000.00)			(35,877.87)	52%
EE CONTR-GENERAL FUND       (450,000.00)       -       (450,000.00)       -       (144,467.99)       68%         EE CONTR-DWS       (85,000.00)       -       (85,000.00)       -       95,777.10       -       95,777.10       213%         EE CONTR-911 SERVICE       (60,000.00)       -       (60,000.00)       (39,933.64)       -       (20,066.36)       67%         EE CONTR-CHILD CARE       (40,000.00)       -       (40,000.00)       (26,627.04)       -       (13,372.96)       67%         EE CONTR-DIV ON AGING       (43,000.00)       -       (43,000.00)       (32,572.29)       -       (10,427.71)       76%	EE CONTR-GOLF COURSE		-					63%
EE CONTR-911 SERVICE       (60,000.00)       -       (60,000.00)       -       (20,066.36)       67%         EE CONTR-CHILD CARE       (40,000.00)       -       (40,000.00)       -       (20,066.36)       67%         EE CONTR-DIV ON AGING       (43,000.00)       -       (43,000.00)       (32,572.29)       -       (10,427.71)       76%	EE CONTR-GENERAL FUND		-					68%
EE CONTR-911 SERVICE       (60,000.00)       -       (60,000.00)       -       (20,066.36)       67%         EE CONTR-CHILD CARE       (40,000.00)       -       (40,000.00)       -       (20,066.36)       67%         EE CONTR-DIV ON AGING       (43,000.00)       -       (43,000.00)       (32,572.29)       -       (10,427.71)       76%	EE CONTR-DWS	, , ,	-	· · · ·	, , ,		• • •	213%
EE CONTR-CHILD CARE       (40,000.00)       -       (40,000.00)       -       (13,372.96)       67%         EE CONTR-DIV ON AGING       (43,000.00)       -       (43,000.00)       (32,572.29)       -       (10,427.71)       76%	EE CONTR-911 SERVICE						·	67%
EE CONTR-DIV ON AGING (43,000.00) - (43,000.00) - (10,427.71) 76%	EE CONTR-CHILD CARE		-					
			-				, , ,	
	EE CONTR-RETIRE SYSTEM		-				, , ,	

ACCOUNT DESCRIPTION	ORIGINAL APPROP	TRANFRS/A DJSMTS	REVISED BUDGET	YTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	% USED
	ORIGINAL APPROP	DISMIL2	KEVISED BODGET	TID ACTUAL		AVAILABLE BUDGET	
EE CONTR-HOMELAND S FD	(4.000.00)		- (4.000.00)	- (4.252.44)	-	- /EAC.EC\	0%
EE CONTR-GYPSY MOTH	(1,900.00)	-	(1,900.00)	(1,353.44)	-	(546.56)	71%
EE CONTR-HOME REHABIL.	(200.00)	-	(200.00)	(55.02)	-	(144.98)	28%
EE CONTR-100% TAX PYMT	(3,100.00)	-	(3,100.00)	(2,285.77)	-	(814.23)	74%
EE CONTR-MED CARE FAC.	(400,000.00)	-	(400,000.00)	(236,825.04)		(163,174.96)	59%
EE CONTR-SELF INSURANC	(450.00)	-	(450.00)	(317.01)	-	(132.99)	70%
EE CONTR-COMM.CORRECT.	(1,500.00)	-	(1,500.00)	(1,190.02)	-	(309.98)	79%
EE CONTR-F.O.C. FUND	(2,500.00)	-	(2,500.00)	(1,997.56)	-	(502.44)	80%
EE CONTR-HOUSING FUND	(5,800.00)	-	(5,800.00)	(4,197.41)	-	(1,602.59)	72%
EE CONTR.LOCAL CFO TR	(300.00)	-	(300.00)	(124.46)	-	(175.54)	42%
EE CONTRIB-CONC PISTOL	-	-	-	(315.26)	-	315.26	100%
EE CONTR-SHERIFF DEPT.	(230,000.00)	-	(230,000.00)	(204,043.05)	-	(25,956.95)	89%
Total RJ LOCAL UNIT CONTRIBUT	(5,520,780.00)	-	(5,520,780.00)	(3,686,997.32)	-	(1,833,782.68)	67%
INVESTMENT INTEREST/DIVIDENDS	(5,000,000.00)	-	(5,000,000.00)	(2,070,852.75)	-	(2,929,147.25)	41%
GAIN ON SALE OF INVESTMENTS	(20,000,000.00)	-	(20,000,000.00)	(8,237,318.43)	-	(11,762,681.57)	41%
UNREALIZED GAIN ON INVESTMENTS	(3,000,000.00)	-	(3,000,000.00)	-	-	(3,000,000.00)	0%
GAIN ON FOREIGN CURRENCY EXCH	(40,000.00)	-	(40,000.00)	(887.57)	-	(39,112.43)	2%
SECURITIES LENDING EARNINGS	(180,000.00)	-	(180,000.00)	(120,088.82)	-	(59,911.18)	67%
Total RP INTEREST & RENTALS	(28,220,000.00)	-	(28,220,000.00)	(10,429,147.57)	-	(17,790,852.43)	37%
MISCELLANOUS REVENUES	-	-	-	-	-	-	0%
REIMBURSEMENTS	-	-	-	-	-	-	0%
REIMBURSEMENT - INDIVIDUALS	-	-	-	-	-	-	0%
TRADE-IN ALLOWANCE	-	-	-	-	-	-	0%
COMMISSION RECAPTURE	(15,000.00)	-	(15,000.00)	(3,143.52)	-	(11,856.48)	21%
CLAIMS/SETTLEMENTS/JUDGEMENTS	(100,000.00)	-	(100,000.00)	(1,191.74)	-	(98,808.26)	1%
Total RR OTHER REVENUE	(115,000.00)	-	(115,000.00)	(4,335.26)	-	(110,664.74)	4%
SALARIES-ELECTED OR APPOINTED	51,012.00	-	51,012.00	26,538.35	-	24,473.65	52%
WAGES-CLERICAL-OTHER FULL TIME	10,566.00	-	10,566.00	7,605.18	-	2,960.82	72%
PAY IN LIEU OF HEALTH INSURANC	-	-		773.55	-	(773.55)	100%
TEMPORARY HELP	9,000.00	-	9,000.00	-	-	9,000.00	0%
PART TIME WAGES	-	_	-	-	-	-	0%
OVERTIME	2,809.00	-	2,809.00	-	-	2,809.00	0%
HOLIDAY PAY	_,	_	-	1,162.88	-	(1,162.88)	100%
PER DIEM	3,420.00	-	3,420.00	1,980.00	_	1,440.00	58%
VACATION PAY	3,120.00	-	5, .23.00	1,322.76	-	(1,322.76)	100%
SICK PAY	<u>-</u>	_	-	114.02	-	(114.02)	100%
TERMINATION SICK PAY	-			-		(114.02)	0%
TERMINATION SICK FAT  TERMINATION VACTION PAY	-	-	-	-	_		0%
Total XE WAGES & SALARIES	76.807.00		76.807.00	39.496.74		37.310,26	51%
TOTAL VE WAGES & SALARIES	70,807.00	•	70,807.00	35,436.74	-	37,310.20	51%

TRANFRS/A ACCOUNT DESCRIPTION ORIGINAL APPROP DISMTS REVISED BUDGET YTD ACTUAL ENCUMBRANCES AVAILABLE BUDGET % USED											
ACCOUNT DESCRIPTION	ORIGINAL APPROP	DJSMTS		YTD ACTUAL	ENCUMBRANCES						
SOCIAL SECURITY	4,713.00	-	4,713.00	2,780.78	-	1,932.22	59%				
HEALTH INSURANCE	17,435.00	-	17,435.00	5,110.95	-	12,324.05	29%				
RETIREE HEALTH CARE CONTRIBUT.	-	-	-	-	-	-	0%				
EMPLOYEE INCENTIVE BENEFITS	177.00	-	177.00	-	-	177.00	0%				
LIFE INSURANCE	131.00	-	131.00	84.60	-	46.40	65%				
RETIREMENT	4,928.00	-	4,928.00	3,001.32	-	1,926.68	61%				
OTHER FRINGE BENEFITS (DETAIL)	-	-	-	-	-	-	0%				
SIF ADMINISTRATION	-	-	-	-	-	-	0%				
WORKERS' COMPENSATION	93.00	-	93.00	56.31	-	36.69	61%				
SICK AND ACCIDENT INSURANCE	709.00	-	709.00	335.93	-	373.07	47%				
UNEMPLOYMENT COMPENSATION	93.00	-	93.00	56.31	-	36.69	61%				
Total XF FRINGES	28,279.00	-	28,279.00	11,426.20	-	16,852.80	40%				
OFFICE SUPPLIES	2,000.00	-	2,000.00	131.06	-	1,868.94	7%				
BOOK SUPPLIES	-	-	-	-	-	-	0%				
PRINTING AND BINDING	1,000.00	-	1,000.00	34.94	-	965.06	4%				
POSTAGE	500.00	-	500.00	339.54	-	160.46	68%				
MAGAZINES AND PERIODICALS	400.00	-	400.00	-	-	400.00	0%				
COPIER / FAX SUPPLIES	500.00	-	500.00	-	-	500.00	0%				
FOOD SUPPLIES	150.00	-	150.00	25.95	-	124.05	17%				
PHOTO & MICROFILM/FICHE SUPPLY	-	-	-	-	-	-	0%				
GAS, OIL AND GREASE	-	-	-	-	-	-	0%				
COMPUTER SUPPLIES	1,500.00	-	1,500.00	133.45	-	1,366.55	9%				
Total XI SUPPLIES	6,050.00	-	6,050.00	664.94	-	5,385.06	11%				
PROFESSIONAL SERVICES	1,750,000.00	-	1,750,000.00	857,789.08	-	892,210.92	49%				
ACTUARIAL SERVICES	70,000.00	-	70,000.00	65,000.00	-	5,000.00	93%				
CONTRACTUAL SERVICES	-	-	-	-	-	-	0%				
MEDICAL SERVICES	1,000.00	-	1,000.00	960.00	-	40.00	96%				
INVESTMENT/BANK SERVICE CHARGE	250,000.00	-	250,000.00	149,134.90	-	100,865.10	60%				
LEGAL FEES	7,500.00	-	7,500.00	-	-	7,500.00	0%				
CONSULTANTS	175,000.00	-	175,000.00	154,000.00	-	21,000.00	88%				
MEMBERSHIPS AND DUES	550.00	-	550.00	350.00	-	200.00	64%				
FILING FEES	200.00	-	200.00	-	-	200.00	0%				
HEALTH SERVICES	-	-	-	-	-	-	0%				
TELEPHONE	400.00	-	400.00	76.24	-	323.76	19%				
CONFERENCE FEES & EXPENSES	15,000.00	-	15,000.00	16,868.86	0.01	(1,868.87)	113%				
STATE TRAVEL MILEAGE	2,700.00	-	2,700.00	2,123.18	-	576.82	79%				
LOCAL TRAVEL MILEAGE	300.00	-	300.00	182.48	-	117.52	61%				
PENSION PAYMENTS	16,250,000.00	-	16,250,000.00	11,242,315.64	-	5,007,684.36	69%				
PRINTING/PUBLISHING/ADVERTISI	500.00	-	500.00		-	500.00	0%				

A COOLINE DESCRIPTION		TRANFRS/A	DELUCED DUDGET	VTD 4 CT 1 4 1	ENICHEADD ANGEC	ANAMARIE RURGET	0/ 11055
ACCOUNT DESCRIPTION	ORIGINAL APPROP	DJSMTS	REVISED BUDGET	YTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	% USED
LEGAL NOTICES	1,000.00	-	1,000.00	-	-	1,000.00	0%
EQUIPMENT REPAIR & MAINTENANCE	500.00	-	500.00	-	-	500.00	0%
HARD/SOFTWARE REPAIR & MAINT	4,100.00	-	4,100.00	7,700.00	-	(3,600.00)	188%
EQUIPMENT RENTAL-COPY MACHINES	5,000.00	-	5,000.00	462.39	-	4,537.61	9%
MISCELLANEOUS	500.00	-	500.00	-	-	500.00	0%
INDIRECT COST EXPENSE	259,947.00	-	259,947.00	194,960.25	-	64,986.75	75%
EDUCATION AND TRAINING	1,500.00	-	1,500.00	-	-	1,500.00	0%
LOSS ON DISPOSAL OF ASSET	9,000,000.00	-	9,000,000.00	4,627,315.14	-	4,372,684.86	51%
UNREALIZED LOSS ON INVESTMENTS	1,000,000.00	-	1,000,000.00	-	-	1,000,000.00	0%
LOSS ON FOREIGN CURRENCY EXCH	100,000.00	-	100,000.00	142.58	-	99,857.42	0%
CONTRIB REFUND-GENERAL	60,000.00	-	60,000.00	54,613.39	-	5,386.61	91%
CONTRIB REFUND-SHERIFF	5,000.00	-	5,000.00	8,866.43	-	(3,866.43)	177%
CONTRIB REFUND-ROAD COMMISSION	5,000.00	-	5,000.00	-	-	5,000.00	0%
CONTRIB REFUND-MED CARE FACIL.	40,000.00	-	40,000.00	18,077.46	-	21,922.54	45%
CONTRIB REFUND-B.A.B.H.A.	100,000.00	-	100,000.00	91,530.30	-	8,469.70	92%
CONTRIB REFUND-D.W.S	5,000.00	-	5,000.00	14,854.97	-	(9,854.97)	297%
CONTRIB REFUND-LIBRARY	5,000.00	-	5,000.00	-	-	5,000.00	0%
INSURANCE AND BONDS	22,000.00	-	22,000.00	22,223.86	-	(223.86)	101%
MACHINERY & EQUIPMENT EXPENSE	3,400.00	-	3,400.00	-	-	3,400.00	0%
OFFICE EQUIP.& FURN. EXPENSE	2,100.00	-	2,100.00	-	-	2,100.00	0%
COMPUTER HARDWARE EXPENSE	-	-	-	-	-	-	0%
COMPUTER SOFTWARE EXPENSE	-	-	-	-	-	-	0%
BOOK EXPENSE	-	-	-	-	-	-	0%
BUDGET REDUCTION TARGET	-	-	-	-	-	-	0%
Total XL OTHER SERVICES AND C	29,143,197.00	-	29,143,197.00	17,529,547.15	0.01	11,613,649.84	60%
COMPUTER SOFTWARE	-	=	=	=	-	=	0%
Total XQ CAPITAL OUTLAY	-	-	•		-	-	0%
Total 73127400 RETIREMENT BOARD	-	-	-	3,460,654.88	0.01	(3,460,654.89)	100%
Total 7310 RETIREMENT SYSTEM FUND	-	-	-	3,460,654.88	0.01	(3,460,654.89)	100%
Revenue Total	(29,254,333.00)	-	(29,254,333.00)	(14,120,480.15)	-	(15,133,852.85)	48%
Expense Total	29,254,333.00	-	29,254,333.00	17,581,135.03	0.01	11,673,197.96	60%
Grand Total	-	-	-	3,460,654.88	0.01	(3,460,654.89)	100%

Invoice D	ate 💮	Vendor	Amount		Description
9,	/14/2016	Mackay Shields	\$	12,456.31	Q3 MFS Management Fee
9,	/30/2016	Rehmann		\$2,000.00	BCERS Separate Financial Statements
9,	/28/2016	Gabriel Roeder Smith	\$	7,700.00	Data Maintenance fee/Benefit Calculator
9,	/30/2016	Gabriel Roeder Smith	\$	17,500.00	12/31/15 BCERS ACTUARIAL VALUATION
10,	/10/2016	BOGDAHN		\$38,500.00	Q4 2016 CONSULTING FEES
10,	/11/2016	BARINGS (CORNERSTONE)		\$10,640.99	Q3 2016 MONEY MGR FEE
10,	/18/2016	EAGLE		\$18,504.13	Q3 2016 MONEY MGR FEE
10,	/17/2016	HOTCHKIS & WILEY		\$22,329.37	Q3 2016 MONEY MGR FEE
10,	/11/2016	LOOMIS SAYLES		\$29,489.59	Q3 2016 MONEY MGR FEE
10,	/12/2016	COLUMBIA		\$37,305.50	Q3 2016 MONEY MGR FEE
. 10	0/6/2016	BANK OF AMERICA CREDIT CARD		(\$889.39)	
					CREDIT TO BCERS FROM MAPERS
					(\$250.00)AND CREDIT FROM GRAND
					HOTEL SALES TAX ADJUSTMENT (\$639.39)
10,	/26/2016	PETTY CASH	\$	16.95	FOOD SUPPLIES BOARD MEETING
. 10,	/12/2016	HENDERSON GENEVA	\$	31,941.00	Q2 MONEY MANAGER FEES

# RETIREMENT BOARD MEETINGS FOR 2017 SCHEDULE OF SPEAKERS - MEETINGS START AT 1:30 P.M. EXCEPT WHERE NOTED \*

DATE	MONEY MANAGER	SPEAKER	CONFIRMED
JANUARY 10	1:30 INTEGRITY	Adam Friedman Andrea Leastra	
FEBRUARY 14	The Bogdahn Group - 4 <sup>th</sup> Qtr Rpt 2016 BCERS (and VEBA)	Howard Pohl Peter Brown	
MARCH 14	1:30 EAGLE ASSET 2:30 GABRIEL ROEDER SMITH – ACTUARIAL VALUATION VEBA	Clay Lindsey - Eagle	
APRIL 11	1:30 MFS U.S. & INTERNATIONAL GROWTH 2:30 MFS VEBA	Kim Bylund	
*APRIL - 18 TUESDAY	8:30 BAIRD 9:15 COLUMBIA 10:00 SCHRODERS 10:45 PGIM	,	
MAY 9	The Bogdahn Group - 2017 1st Qtr Report BCERS (and VEBA)	Howard Pohl Peter Brown	
JUNE 13	HOTCHKIS & WILEY	Patrick McMenamin	
JULY 11	GABRIEL ROEDER SMITH – EXPERIENCE STUDY		
AUGUST 8	The Bogdahn Group - 2017 2 <sup>nd</sup> Qtr Report BCERS (and VEBA)	Howard Pohl Peter Brown	
SEPTEMBER 12	VEBA: 2:30 p.m. – DODGE & COX	<u>.</u>	
OCTOBER 10	GABRIEL ROEDERS SMITH BCERS ACTUARIAL VALUATION		
* OCTOBER 17	8:30 BARINGS 9:15 LOOMIS SAYLES		
TUESDAY	10:00 MACKAY SHIELDS 10:45 HENDERSON/GENEVA		
NOVEMBER 14	The Bogdahn Group - 2016 3 <sup>rd</sup> Qtr Report BCERS (and VEBA)	Howard Pohl Peter Brown	
DECEMBER 12	VEBA: 2:30 p.m C. S. MCKEE		
	3:00 p.m. – LORD ABBETT		į

BY:	ADM	IINIS	STR	ATI	ON 11/15/16)							
WHEREAS,	Inve	is stated in the Bay County Employees' Retirement System Due Diligence Policy that avestment Managers are to appear before the Board for performance evaluations on a obtational basis at least every 24 months.										
WHEREAS,		e Board schedules Investment Managers to speak at their monthly meetings; erefore, Be It										
RESOLVED	That	hat this Board approve the speaker schedule for 2017.										
					STEVE GRA AND BO							
RESOLUTION					HEDULE 2017							
SUPPORTED B	Y TRU			I _	T	1	1	1_	l	Ι	I :	
TRUSTEE		Υ	N	Ε	TRUSTEE	Y	N	E	TRUSTEE	Υ	N	Ε
Richard Brzezinski					Steve Gray				Jon Morse			
Kim Coonan					Richard Gromaski				Matthew Pett			
Kristal Gonza	les				Ernie Krygier				Thomas Starkweather			
Vote Totals: Roll Call: Voice:	Yeas Yeas	s			Nays Excu	sed _ sed _						
Disposition:		Adopted Defeated Withdrawn Amended Corrected Referred										



#### **Baird Advisors**

777 East Wisconsin Avenue Milwaukee, Wisconsin 53202 Toll Free: 800-792-2473 www.bairdadvisors.com

# Form ADV Part 2A Brochure Material Change Notification

September 9, 2016

Baird Advisors, an investment management department operating within Robert W. Baird & Co. Incorporated ("Baird"), has updated its Form ADV Part 2A brochure (the "Brochure") dated June 6, 2016. The Brochure update provides disclosure about two new disciplinary matters involving Baird's Private Wealth Management ("PWM") business that are unrelated to any Baird Advisors activities or servicing of Baird Advisors' clients. One matter related to findings by FINRA that PWM and a PWM supervisor did not reasonably supervise a former registered representative who misused customer funds in connection with a trade error correction. Once the issue was discovered, Baird reimbursed the client. FINRA also found that PWM failed to establish and maintain a supervisory system for correcting trade errors that was reasonably designed to ensure compliance with applicable securities laws, regulations and rules. Baird, without admitting or denying the findings, consented to a censure and an order to pay a civil money penalty in the amount of \$200,000. The other matter related to findings by the Securities and Exchange Commission ("SEC") that PWM failed to adopt and implement adequate policies and procedures to track and disclose trading away practices by certain of the subadvisors participating in PWM's wrap fee programs. Baird, without admitting or denying the findings, consented to an order to pay a civil money penalty in the amount of \$250,000 and to make enhanced client disclosures in connection with that matter.

Baird Advisors will provide a client with a copy of the updated Brochure without charge. A client may obtain a copy of the updated Brochure by calling Baird Advisors at the toll-free number above. The Brochure and additional information about Baird is also available on the Investment Adviser Public Disclosure ("IAPD") system at <a href="https://www.adviserinfo.sec.gov">www.adviserinfo.sec.gov</a>.

Robert W. Baird & Co. Incorporated 777 East Wisconsin Avenue, Milwaukee, WI 53202 800-792-2473 rwbaird.com

Member FINRA & SIPC SEC File No. 801-7571.

### **PGIM** Real Estate



# U.S. Election Results and Implications for Americas Real Estate Investment Research | November 9, 2016

Today marks a significant shift in the "status quo" with the unexpected win of Donald Trump in the U.S. Presidential election. As compared to the UK vote to leave the European Union in June, the surprise U.S. election vote is likely to be viewed as having far more significant global repercussions. As a result, most of the attention in the next few weeks will be focused on the likely volatility in financial markets.

However, as we also learned from the UK "Brexit" vote, this volatility may provide little or no usable information about what happens next, particularly with regards to commercial real estate markets. While we will be mindful of this volatility when making near-term investment decisions, we are mostly focused on the longer-term impacts of the likely policy shifts under a Trump administration.

For the United States, in addition to new policy uncertainty, the same constraints that have weighed on real estate investment decisions for at least the past year remain. These include low wage growth despite near-full employment, historically meagre business investment, concerns that Fed policy may be ineffective in a low interest rate environment, and the potential for a China hard landing to disrupt the global financial system. These economic constraints and risks are no smaller than they were at the beginning of this year. However, real estate markets have performed well so far this year despite these and other considerable headwinds, providing momentum that we expect to continue into 2017.

The outlook for Latin America, in particular Mexico, is less ambiguous, with anticipated restrictions on both trade and U.S. immigration presenting new constraints on real estate markets. Mexico has benefitted from more open trade and immigration for over 20 years. While we do not expect a wholesale reversal, the marginal impact of higher barriers to both would be negative. The Mexico economy may well slip into recession over the near term. However, we will not overreact to this short-term setback, even though financial and real estate investment markets may well do so.

#### Four Adjustments to the Status Quo

The main policy priorities of the Trump campaign, if they are embodied in new legislation, are likely to have a net negative impact on U.S. commercial real estate tenant and investor demand. The most notable negatives are more restrictive trade and immigration policies:

- Trade: There is a potential for at least partial rollbacks of existing free trade agreements, and almost no chance for approval of new large scale ones (notably including the Trans Pacific Partnership). Most credible research shows that freer trade has been a positive and significant growth driver globally in the United States and in much of Latin America, particularly Mexico, over the past two decades. Therefore, the converse would suggest that a shift away from free trade would likely have widely distributed negative economic and real estate impacts, with some concentrated (but much smaller) positive ones. On the margin, this is negative for major logistics markets in the United States, and may also compel us revisit our bullish position on long-term manufacturing growth in Mexico.
- Immigration: The likelihood of an initiative to reduce legal immigration, and a potential increase in deportation of illegal immigration, will weigh on consumption growth, and potentially create labor shortages in industries including construction and manufacturing. While the U.S. Census projects population growth of 0.75% from 2015 to 2030, high by comparison with most developed economies, that projection assumes net immigration accounts for more than half of that growth. Holding other factors constant, those estimates may now be too high. The U.S. apartment and retail sectors are most likely to be harmed by this shift, particularly in the Sunbelt and in other large cities. Mexico's retail and housing sectors may be hurt even more, as remittances from Mexicans living in the United States may decline.

Partially mitigating these constraints, at least over the short term, are a potential increase in infrastructure spending, as well as stimulative effects from lower tax rates.

REF: 16DCOLL-AFJJLJ

### **PGIM** Real Estate



- Infrastructure: There is a likelihood of a large infrastructure package, perhaps as part of a compromise with Democrats to pass tax cuts. With a Republican Congress, this is likely to skew more towards investments in highways and bridges rather than in public transport and center cities, which may bolster real estate demand in suburban locations, particularly in non-gateway markets. However, given the long approval processes required to get these projects underway, most of the benefits are likely to be years rather than months away.
- Taxes and Spending: The Trump platform calls for large tax cuts, particularly for high earners, without many spending cuts to offset them. That is likely to provide some economic stimulus, at least for the short term, and the effect would be larger should the administration and Congress choose to extend the tax cuts to lower income households with the highest propensity to spend. Over the longer term however, lower taxes may curb future growth if revenues lag behind spending, since this would require future tax hikes or large spending cuts that could more than offset the initial stimulus. A sharp rise in interest rates cannot be ruled out if deficit concerns spook Treasury investors.

While some of these policy shifts may be significant, it is unclear how strong Trump's mandate is, and perhaps more importantly whether some of his policy priorities are shared with Congressional leaders in his party. This may prolong the policy uncertainty period well into next year and potentially longer, and possibly result in legislation that is mostly incremental rather than abrupt.

#### A Two-Pronged Approach

In this environment, we plan to take a two-pronged approach to managing our portfolios and making investment decisions:

The first prong is not making any significant changes to our long-term investment strategies in response to near-term volatility. Most likely, we will slow down our acquisitions and development activity, as well as our planned asset sales. While certain assumptions supporting our investment theses will need to be re-evaluated in light of likely policy shifts, we expect most of them to remain intact. Briefly summarized, our view on commercial real estate markets headed into 2017 is for:

- Balanced equity capital flows into U.S. real estate, with some investors moderately decreasing their real estate exposure and others (particularly non-U.S. investors) increasing it;
- Steady tenant demand, aided by limited construction activity, driving continued improvement in occupancies and rent growth in the U.S., and, albeit now with less certainty, Mexico;
- And a continued "de-risking" of U.S. commercial real estate debt markets, which will keep financing flowing to safe, stabilized assets, but constrain funding for construction and assets requiring leasing or capital expenditures.

The second prong is to seek out extraordinary opportunities that may arise due to overreactions to market volatility. These opportunities may arise in two forms:

- Real estate assets with favorable long-term fundamentals that motivated owners need to sell quickly. These may include larger assets that most investors cannot absorb, and properties with near-term capital needs. We may find these opportunities in both large and smaller U.S. markets, and particularly in Mexico.
- Sub-equity positions in capital stacks, since the returns from debt may be competitive with or even superior to equity on a risk-adjusted basis. We have already begun seeing an increase in attractively-priced debt investments, and expect more in the coming period of economic and policy uncertainty.

REF: 16DCOLL-AFJJLJ

## **PGIM** Real Estate



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REF: 16DCOLL-AFJJLJ



# A Trump White House: Potential Market Impacts of the US Election

By Loomis Sayles Macro Strategies

Donald Trump's presidential upset has stunned financial markets, which had heavily discounted a Clinton victory. What might Trump's policy proposals mean for markets and key components of the US economy going forward?

# THE QUESTIONS OUTNUMBER THE ANSWERS AT THIS STAGE, BUT HERE ARE OUR BEST GUESSES:



- GDP The increased level of uncertainty could delay spending in the near term, but overall GDP growth should be faster thanks to tax cuts and infrastructure spending. Trump's policy proposals call for an aggressive easing of fiscal policy, and we are left with questions on the distribution of tax cuts (will they favor high-income earners with low marginal propensity to consume?) and how they will be funded (up-front spending cuts or delayed cuts?). We believe the major risk of the Trump administration is a supply-side hit to the economy stemming from a potential trade war with higher tariffs and reduced supply of labor due to tougher immigration enforcement. Recession odds increase in the medium term if an initial GDP growth spurt is met with higher interest rates and followed by a negative supply-side shock. Immigration and trade restrictions increase the risk of inflation and a policy tightening error by the Federal Reserve.
- Inflation Trump's proposals are structurally inflationary, but which measures will get passed and implemented is a large unknown. He's calling for aggressive fiscal policy; an exit of many immigrants (which would put upward pressure on domestic wages and costs); and increased protectionism (a trade war would likely depress growth initially and ultimately raise the cost of global goods via higher tariffs). The supply side of the economy could take a serious hit.



- Tax Policy Trump initially talked about \$9 trillion worth of cuts over ten years. He later reduced his proposal to \$4 trillion; Congress might pass something more reasonable, like \$1 trillion. The unknowns on the tax cuts are how they will be funded, their distribution and impact on GDP. On plan, the cuts favor the top income earners who may be less likely to spend. Trump would like to achieve comprehensive tax reform:
  - Broaden the base
- Collapse individual tax brackets from 7 to 3 (12-25-33%)
- Remove loopholes
- Reduce the corporate tax rate from 35% to 15%
- Reduce tax rates
- Remove the estate tax

So far, he seems to assume revenue loss would be offset by faster GDP growth.







• Federal Reserve - Trump has already suggested that Federal Reserve Board Chair Janet Yellen would not likely be reappointed when her term ends in February 2018. She may even resign before then. There is likely to be significant turnover at the Fed, with up to five seats turning over, including the vice chair. We could see preference for a more hawkish Fed chair, someone like former Dallas Federal Reserve President Fisher, with a more orthodox view on monetary policy compared to the experimentation and unconventional policies that have ruled since 2008. The fed funds rate should rise faster under Trump. The collision of a more hawkish Fed chair, aggressive fiscal easing with the unemployment rate below 5%, and potential for a negative hit to supply side of the economy are wild cards to watch.



• Interest Rates - The bond outlook is uncertain because of the extreme policy divergence between a big fiscal boost to growth and a negative supply-side economic shock. Longer term, our bias is that the fed funds rate and bond yields will rise as aggressive fiscal policy easing spurs demand. Loose fiscal measures could then meet potential trade and immigration restrictions, leading to higher inflation. Then we would need to judge how higher interest rates would impact the dollar and the economic outlook.



• Credit Spreads - From here, spread levels could stay flat or move wider. Increased volatility and uncertainty are anticipated in the near term, and the non-financial corporate sector has continued to add leverage. The Trump victory suggests bolder policies and wider tail risks for the corporate sector. We need to see profits rise relative to debt for credit spreads to remain at current levels. If spreads were to tighten from here, it would probably be on the back of higher Treasury yields compressing the credit spread.



• Equity - Near-term uncertainty could be negative for equities. The long-term picture is cloudy, but it hinges heavily on the economy and how fast Trump's prospective tax cuts might speed growth. We'll watch for tension between a fiscal-driven boost to GDP, higher interest rates and potential for a trade war. In any case, stronger profits and greater investment spending are critical for both economic and profit growth.



• **US Dollar** - We have a more bullish outlook for the dollar under a Trump presidency. A key assumption is that loose fiscal policy and tight monetary policy are typically bullish for a currency. Think of the 1980s, when President Reagan's tax cuts, a defense build up and Volker-led Fed combined to drive the dollar to very high levels.



• Trade - Trump campaigned on a protectionist, isolationist platform, and tariffs on China and Mexico could become reality. With trade, it is important to think of the supply side of the economy. More trade means more supply, and vice versa. A trade war is the biggest risk to global GDP. Any new president could start a trade war quickly and easily. The fallout would likely hit supply and demand, raise inflation and slow global demand. A trade war could be a significant offset to any fiscal stimulus.



#### **AUTHOR**



TOM FAHEY VP, Senior Global Macro Strategist, Associate Director of Macro Strategies, Portfolio Manager

#### Disclosure

#### Past performance is no guarantee of future results.

This commentary is provided by Loomis Sayles for informational purposes only and should not be construed as investment advice. Investment decisions should consider the individual circumstances of the particular investor. Opinions and/or forecasts contained herein reflect the subjective judgments and assumptions of the authors only and do not necessarily reflect the views of Loomis, Sayles & Company, L.P., or any portfolio manager. These views are as of the date indicated and are subject to change any time without notice. Other industry analysts and investment personnel may have different views and assumptions.

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NOVEMBER 2016 123



# BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION

BAY COUNTY BUILDING 515 CENTER AVENUE BAY CITY, MICHIGAN 48708-5128

Thomas L. Hickner Bay County Executive

Jan Histed Finance Officer/Secretary

September 23, 2016

Larry Fumarolo Relationship Manager The Northern Trust Company 50 S. LaSalle Street B-8 Chicago, IL 60603 BOARD OF TRUSTEES
Steven Gray, Chairperson
Richard Brzezinski
Kim Coonan
Kristal Goetz
Richard Gromaski
Ernle Krygier
Jon Morse
Matthew Pett
Thomas Starkweather

ADMINISTRATIVE STAFF Rebecca Marsters Katie Meeth (989) 895-4043 TDD (989) 895-4049 FAX (989) 895-4039

RE:

BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM

TRANSACTION:

TRANSFER BETWEEN ACCOUNTS

SPONSOR:

**BAYCO** 

Dear Mr. Fumarolo:

You are directed to process the transaction listed below:

Transfer cash between Trust/Custody Accounts representing \$3,000,000.00 as directed on Friday, September 30, 2016.

#### Transfer from:

Account No. Short Code	Account Name	Currency	Amount	P or I
26-53308	BAYCO-INTEGRITY	USD	\$700,000.00	P
26-95063	BAYCO-EAGLE	USD	\$800,000,00	P
26-83854	BAYCO-MFS INV	USD	\$1,500,000.00	P

Transfer to:

Account No.

 Short Code
 Account Name
 Currency
 Amount
 P or I

 26-39953
 BAYCO-CASH ACCT USD
 \$3,000,000.00
 P

Thank you for your attention to this matter.

Sincerely.

Jan Histed

Retirement Administrator/Accountant

ÇÇ:

Kathleen Meeth Jeanette Bateman

#### CORPORATION COUNSEL

Amber Davis-Johnson, Corporation Counsel johnsona@baycounty.net





#### **BAY COUNTY**

THOMAS L. HICKNER
County Executive

Tel: (989) 895-4131 Fax: (989) 895-7658 TDD: (989) 895-4049

TO:

STEVE GRAY, CHAIR, BAY COUNTY EMPLOYEES'

RETIREMENT SYSTEM

FROM:

SHAWNA S. WALRAVEN, ASSISTANT CORPORA

COUNSEL

RE:

DISABILITY RETIREMENT PROCEDURE UPDATE

DATE:

NOVEMBER 7, 2016

#### Background:

The Bay County Employees' Retirement System ("BCERS") Board of Trustees adopted the Disability Retirement Procedure by Resolution 2015-035 and subsequently amended it by Resolution 2016-30. The Procedure is fairly new and we are finding ways to improve the process. An area that was overlooked originally was requiring the Member's physician to certify that the Member meets the criteria to be retired due to disability. This certification is then reviewed by our Medical Director. If there is a disagreement between the physicians then the Member can utilize the appeal process outlined in the Disability Retirement Procedure. Currently, the Member's physician is not required to certify the disability and any Member could apply, even without a determination by a physician. This could create an inefficient use of BCERS resources.

#### **Financial Impact:**

There is no financial impact.

**RECOMMENDATION:** 

THAT THIS BOARD APPROVE THE CHANGE TO THE

DISABILITY RETIREMENT PROCEDURE.

## BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM DISABILITY RETIREMENT PROCEDURE

Adopted by Resolution 2015-35, amended by Resolution 2016-30.

- 1. The Member shall submit a written application approved by the Retirement Board ("Board") to the Retirement Administrator ("Administrator") requesting a disability retirement. The Member shall submit to the Administrator:
  - (a) a list of all treating physicians for the past five years;
  - (b) a copy of the Member's job description (as created or provided by the County employer); and
  - (c) an Authorization to Release Medical Records and Information form; and
  - (d) a Physician Form stating that the Member is:
    - a. mentally or physically incapacitated for continued employment in the same or substantially similar position in which the applicant was previously employed; and
    - b. the incapacity is likely to be permanent; and
    - (e)c. the Member should be retired. -

The Administrator shall encourage the Member to submit all medical and/or other information in support of the application. The Administrator shall not process any request for the disability retirement until he or she receives the application, list of treating physicians, job description and authorization for release of medical records. The Member shall submit his or her application while the Member remains in the employ of the County employer.

- 2. The Retirement Board shall receive the application at its next regularly scheduled meeting and shall move that:
  - (a) the Administrator request from the Member and the County Employer all medical records and/or incident reports on file with the employer relative to the disability claim and from the Member's physician's all medical records relevant to the disability claim;
  - (b) the Member provide to the Administrator any additional information relevant to the Member's claim for disability retirement as determined necessary by the Board;
  - (c) the Member's application be referred to the Medical Director for consideration,
  - (d) the Member be personally examined by the Medical Director or that such personal examination requirement be waived; and
  - (e) the County Employer be notified of the Member's application and the Board's referral.

- All reasonable costs for the duplication of records (other than medical records) requested by the Board shall be paid from assets of the Retirement System.
- 3. The Retirement Administrator shall provide to the Medical Director for his or her consideration all information received by the Administrator related to the Member's disability retirement claim, and shall assist the Member in scheduling an appointment with the Medical Director if such examination is required by the Board. The Member shall not be responsible for the cost of the examination, but may be responsible for a cancellation fee due to his or her failure to keep a scheduled appointment. The Member shall be responsible for travel costs to the initial examination by the Medical Director and any additional examinations deemed necessary by the Medical Director.
- 4. The Medical Director may, at his or her discretion, refer the Member for an examination by a specialist if the Medical Director determines the he or she lacks the specialized expertise to make a determination as to any Member's disability retirement claim. The Medical Director shall notify the Administrator within seven (7) days of such referral, who shall notify the Board at its next regularly scheduled meeting. The cost incurred as a result of such a referral shall be paid with assets of the Retirement System.
- 5. It shall be the Member's responsibility to ensure that the Medical Director has received all medical information and/or records that the Member wishes the Medical Director to consider at or prior to the Member's examination (if required). Medical records are to be provided at the Member's expense.
- 6. The Medical Director shall forward to the Administrator his or her written medical report and certification on a form approved by the Board which shall:
  - (a) identify what records were reviewed by the Medical Director;
  - (b) state whether, in the Medical Director's (or specialist's) opinion, the Member is mentally or physically incapacitated from continued employment with his or her employer;
  - (c) the nature of the incapacity;
  - (d) a short narrative of the basis for the opinion or determination of incapacity;
  - (e) state whether the incapacity is likely to be permanent;
  - (f) state whether, in the Medical Director's (or specialist's) opinion, the Member is totally and permanently disabled while in the employ of his or her employer as a result of causes directly related to his or her actual performance of duty while an employee; and
  - (g) recommend whether, in the Medical Director's (or specialist's) opinion, the Member should be retired.

Incapacity for duty shall mean that the Member is mentally or physically incapacitated from further performance of duty in the service of the County Employer in the same or similar position the Member held at the time of the claimed disability. All claims for

disability retirement must be fully and completely established by or on behalf of the applicant and certified by the Medical Director prior to the Board's grant of a disability retirement. Final determinations as to disability retirement of any kind (with the exception of a Third Party Physician referral on appeal) are expressly reserved to the Board.

- 7. The Administrator shall place on the Board's agenda an executive session during a regular open meeting of the Board to discuss the Member's disability application, medical reports, opinions and certifications and all other pertinent information related to the Member's disability retirement application. Following that executive session, the Board shall resolve to grant or deny the disability retirement. The Administrator shall notify the Member of the meeting at least seven (7) days prior to the date of the meeting.
- 8. The Administrator shall notify the Member and the County Employer of the Board's grant or denial of the disability retirement benefit, in writing, within 30 days of the official Board action.
- Upon approval by the Board, a Member's effective date of disability retirement shall be the later of:
  - a. The date of application for disability retirement; or
  - The date the Member actually last received compensation from his or her employer.
- 10. All Members receiving a disability pension shall, in years for which they are subject to reexamination as set forth in Section 4.044(a) of the Bay County Retirement Ordinance, submit to the Administrator no later than July 1 of each calendar year (or the first business day following the 1<sup>st</sup> if the same falls on a Saturday Sunday, or County Holiday) the following:
  - (a) A statement, completed in the last twelve months, from their personal physician on a "Physician Update" form approved by the Board; and
  - (b) A "Member Work History Update" form approved by the Board and signed under oath by the Member.
- 11. The Administrator shall submit the updated forms to the Board in executive session during the regularly scheduled open meeting in July of each year. The Board shall make determinations in regular session as to which Member(s), if any, shall be subject to reevaluation by the Medical Director. Any such reevaluation shall follow the same format and procedure as the initial examination by the Medical Director.
- 13. The Administrator shall place on the Board's agenda in November of each year an executive session during a regular open meeting of the Board to discuss the Member's updated reevaluation, which shall include medical reports, opinions and certifications and

- all other pertinent information related to the Member's reevaluation of disability retirement. Following that executive session, the Board shall resolve to continue or discontinue the disability retirement. The Administrator shall notify the Member of the meeting at least seven (7) days prior to the date of the meeting.
- 14. If the Member refuses to comply with the terms of this Policy and/or submit him or herself for reevaluation/reexamination, payment of any existing retirement benefit may be suspended by the Board. If the Member refuses to comply with the terms of this Policy and submit him or herself for reevaluation/reexamination for a period of one year, the Board may permanently revoke the Member's disability retirement benefit. The Board will not receive nor consider an application for disability retirement that does not comply with the terms of this Policy.
- 15. The Member may appeal a decision by the Board to deny a request for a disability retirement pursuant to the Appeal Procedure found at Section 4.055 of the Bay County Retirement Ordinance. However, the Member, at the Member's option, may select the following alternative appeal (which shall be considered an alternative benefit in lieu of the traditional appeal process available to the Member):
  - (a) The Member may submit to the Administrator, in writing, a request for their application to be submitted to an independent, third party physician for review. This physician shall be agreed upon and selected by the Medical Director and the Member's personal physician. Such a request must be made within 90 days of the date of the notification of denial.
  - (b) The Administrator shall present the appeal to the Board for receipt and the Board shall direct the Administrator to coordinate the selection of the third party physician.
  - (c) All documentation previously reviewed and/or considered by the Medical Director or specialist previously utilized by the Medical Director shall be forwarded to the Third-Party Physician for his or her review. The Third Party Physician shall conduct a physical examination of the Member and shall fill out and forward to the Administrator his or her written medical report and certification on the same form approved by the Board for use by the Medical Director.
  - (d) The Board shall receive and adopt the opinion and certification of the Third Party Physician regarding disability within 60 days of receipt of the Third Party Physician's medical report and certification. The Board shall not revisit the issue of the Member's Disability Pension (if the same is recommended by the Third Party Physician and therefore granted by the Board) until the Member is subject to reexamination/reevaluation as set forth in Section 4.044 of the Bay County Retirement Ordinance. All costs associated with the examination by the Third Party Physician shall be paid from assets of the Retirement System.

BY:	BAY	CO	UN	IYF	KETIKEMENT BOAKD	13/1	5/16)					
WHEREAS,	the D	Disa	bility	Re	Employees' Retireme tirement Procedure by 016-30.							
WHEREAS,	The Procedure is fairly new and we are finding ways to improve the process. An area that was overlooked originally was requiring the Member's physician to certify that the Member meets the criteria to be retired due to disability. This certification is then reviewed by our Medical Director.											
WHEREAS,	If there is a disagreement between the physicians, then the Member can utilize the appeal process outlined in the Disability Retirement Procedure.											
WHEREAS,	Currently, the Member's physician is not required to certify the disability and any Member could apply, even without a determination by a physician. This could create an inefficient use of BCERS resources. Therefore, Be It;											
RESOLVED	That this Board approve the change to the Disability Retirement Procedure.											
RESOLUTION MOVED BY TRU SUPPORTED BY					STEVE GRA AND BO							
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Richard Brzezinski		:			Steve Gray				Jon Morse			
Kim Coonan					Richard Gromaski				Matthew Pett			
Kristal Gonzal	es				Ernie Krygier				Thomas Starkweather			
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Disposition: Adopted Defeated Withdrawn Amended Corrected Referred												

#### CORPORATION COUNSEL

Amber Davis-Johnson, Corporation Counsel johnsona@baycounty.net

# Shawna S. Walraven, Assistant Corporation Counsel walravens@baycounty.net



#### **BAY COUNTY**

THOMAS L. HICKNER
County Executive

Tel: (989) 895-4131 Fax: (989) 895-7658 TDD: (989) 895-4049

TO:

STEVE GRAY, CHAIR, BAY COUNTY EMPLOYEES'

RETIREMENT SYSTEM

FROM:

SHAWNA S. WALRAVEN, ASSISTANT CORPORATION

COUNSEL

RE:

**CUSTODIAN BANK RFQ AUTHORIZATION** 

DATE:

NOVEMBER 7, 2016

#### Background:

The Retirement Board has expressed a desire to review its service providers (actuary, investment consultant, medical director, outside attorney and custodian bank) on a five year cycle, reviewing one each year. Last year, the medical director services were up for review. This year, custodian bank services are up for review through a competitive bidding process.

The tentative schedule for this process anticipates a March release date for the RFQ.

In the past, the Retirement Board has authorized a sub-committee to participate and decide who should be awarded the bid or they have authorized a sub-committee to bring the final candidates to the entire Retirement Board. A sub-committee would likely be comprised of the Chair, Vice Chair, two additional Retirement Board Members, Assistant Corporation Counsel, Secretary of the Board and the Retirement Administrator.

#### Financial Considerations:

After the issuance of the RFP and the acceptance of the bids, the Retirement Administrator will report back to the committee with further recommendation(s).

**RECOMMENDATION:** 

THAT THIS BOARD AUTHORIZE PERMISSION TO ISSUE A COMPETITIVE BID FOR CUSTODIAN BANK SERVICES, UTILIZE A SUB-COMMITTEE TO DECIDE AND AWARD THE BID, HAVE THE BOARD CHAIR SIGN ANY RELATED DOCUMENTS AFTER REVIEW AND APPROVAL BY

CORPORATION COUNSEL AND APPROVE ANY REQUIRED

BUDGET ADJUSTMENTS.

BY:	ASSIS	STA	ANT	СО	RPORATION COUNS	EL (1	1/15/	16)					
WHEREAS,	invest	me	ent c	onsi	Board has expressed a ultant, medical director ving one each year.								
WHEREAS,		st year, the medical director services were up for review. This year, custodian bank vices are up for review through a competitive bidding process.											
WHEREAS,	The te	he tentative schedule for this process anticipates a March release date for the RFQ.											
WHEREAS,	decide the fir comp	the past, the Retirement Board has authorized a sub-committee to participate and ecide who should be awarded the bid or they have authorized a sub-committee to bring he final candidates to the entire Retirement Board. A sub-committee would likely be comprised of the Chair, Vice Chair, two additional Retirement Board Members, Assistant corporation Counsel, Secretary of the Board and the Retirement Administrator.											
WHEREAS,		er the issuance of the RFP and the acceptance of the bids, the Retirement Administrator I report back to the committee with further recommendation(s). Therefore, Be it											
RESOLVED	That this Board authorize permission to issue a competitive bid for custodian bank services, utilize a sub-committee to decide and award the bid, have the Board Chair sign any related documents after review and approval by Corporation Counsel and approve any required budget adjustments.												
					STEVE GRA AND BO		IAIR						
RESOLUTION	- RFQ	Cl	UST	ODI	AL BANK								
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Vote Totals: Roll Call: Voice:	Yeas Yeas				Nays Excus Nays Excus	sed _							
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# BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION

BAY COUNTY BUILDING 515 CENTER AVENUE BAY CITY, MICHIGAN 48708-5128

Thomas L. Hickner Bay County Executive

Jan Histed Finance Officer/Secretary

To: Bay County Employees' Retirement System Board of Trustees

From: Katle Meeth, Retirement Administrator

Date: November 8, 2016

RE: Gabriel Roeder Smith & Company Experience Study

BOARD OF TRUSTEES
Steven Gray, Chairperson
Richard Brzezinski
Kim Coonan
Kristal Goetz
Richard Gromaski
Ernle Krygier
Jon Morse
Matthew Pelt
Thomas Starkweather

ADMINISTRATIVE STAFF Rebecca Marsters Katie Meeth (989) 895-4043 TDD (989) 895-4049 FAX (989) 895-4039

#### Request:

To review and approve the proposed service and actuarial fees from GRS to conduct an experience study for the Bay County Employee's Retirement System for the 5-year period 2012 through 2016.

#### Background:

The plan costs developed in the annual actuarial valuations are based upon various assumptions about future occurrences. The results of the valuation are reliable only if the underlying assumptions are reasonable. These assumptions are recommended by the actuary for consideration by the Board. No single set of assumptions will be suitable indefinitely. Periodically the actuary should be authorized to review the assumptions for reasonableness by comparing them to actual experience. This type of analysis is called an experience study. The last experience study was performed in 2013, and reviewed system experience January 1, 2003 through December 31, 2011. As part of continuing good governance, an experience analysis should be conducted during 2017, such that the new assumptions can be considered for the December 31, 2016 actuarial valuation.

#### Finance/Economics:

GRS estimated fees to provide the 2012 through 2016 experience study are \$20,000-\$24,000. This fee includes illustrating the results based on 2 to 3 alternative set of economic assumptions and coming to one meeting with the Board to discuss the results of the study.

#### Recommendation:

To authorize the Board Chair to execute the Proposed Services and Actuarial Fee letter and to approve any and all related budget adjustments.

November 8, 2016

Ms. Katie Meeth Retirement Administrator/Accountant Bay County 515 Center Avenue, Suite 706 Bay City, Michigan 48708-5128

Re: 5-Year Experience Analysis for the Bay County Employees' Retirement System

#### Dear Katie:

As requested, we have prepared this engagement letter describing the scope and fees for conducting an experience study for the above named plan for the 5-year period 2012 through 2016.

As you know, the plan costs developed in the annual actuarial valuations are based upon various assumptions about future occurrences. The results of the valuation are reliable only if the underlying assumptions are reasonable. These assumptions are recommended by the actuary for consideration by the Board. No single set of assumptions will be suitable indefinitely. Periodically the actuary should be authorized to review the assumptions for reasonableness by comparing them to actual experience. This type of analysis is called an experience study. The last experience study was performed in 2013. As part of continuing good governance, we recommend an experience analysis be conducted during 2017, such that the new assumptions can be considered for the December 31, 2016 actuarial valuation.

#### Scope

Gabriel, Roeder, Smith & Company will provide an analysis of plan experience with respect to the assumptions and methods on the following page.

Ms. Katie Meeth November 7, 2016 Page 3

#### Timing

Upon approval to proceed with this project, we will discuss timing with you.

Gabriel, Roeder, Smith & Company appreciates the opportunity to be of service to you. Please let us know of your decision regarding this project. In the meantime, if you have any questions do not hesitate to call me.

Sincerely,

James D. Anderson, FSA, EA, MAAA

JDA:ah

cc: Shana Neeson, GRS

(James D. anclesson

Mark Buis, GRS

BY:	ADM	INI	STR	ATI	ON (11/15/16)								
WHEREAS,	assu unde actua	The plan costs developed in the annual actuarial valuations are based upon various assumptions about future occurrences. The results of the valuation are reliable only if the underlying assumptions are reasonable. These assumptions are recommended by the actuary for consideration by the Board. No single set of assumptions will be suitable indefinitely.											
WHEREAS,	reaso	Periodically the actuary should be authorized to review the assumptions for reasonableness by comparing them to actual experience. This type of analysis is called an experience study.											
WHEREAS,	Janu expe	The last experience study was performed in 2013, and reviewed system experience study January 1, 2003 through December 31, 2011. As part of continuing good governance, an experience analysis should be conducted during 2017, such that the new assumptions can be considered for the December 31, 12016 actuarial valuation.											
WHEREAS,	Gabriel Roeder Smith & Company ("GRS") estimated fees to provide the 2012 through 2016 experience study are \$20,000-\$40,000. This fee includes illustrating the results based on 2 to 3 alternative set of economic assumptions and coming to one meeting with the Board to discuss the results of the study; Therefore, Be It												
RESOLVED	To authorize the Board Chair to execute the Proposed Services and Actuarial Fee letter; Be It Further												
RESOLVED	To a	ppro	ove	and	all related budget ad	justme	ents.						
			-		STEVE GRA		AIR						
RESOLUTION -	APPR	OVA	AL F	OR I	EXPERIENCE STUDY								
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Vote Totals: Roll Call: Voice:	Yeas Yeas				Nays Excu	sed sed	<u></u>						
Disposition:	Adop				Defeated With	drawn_							



# Cynthia A. Luczak Bay County Clerk

515 Center Ave., Suite 101 Bay City, MI 48708-5941 Phone (989) 895-4280 Fax (989) 895-4284 TDD (989) 895-4049

November 14, 2016

Bay County Retirement System Board of Trustee Members 515 Center Avenue Bay City, Michigan 48708

Dear Board of Trustees:

The filing deadline for employees wishing to serve as a representative for the Bay County Employees' Retirement System Groups #2 Bay Medical Care Facility Employees and also Group #3 the Sheriff/Library Employees, has lapsed with only one (1) candidate filing for each of the open positions.

Candidate Kristal K. Gonzales qualified by obtaining the required number of signatures on the nominating petitions as required by the rules, for respective Group #2, Bay County Medical Care Facility.

Candidate Matthew Pett qualified by obtaining the required number of signatures on the nominating petitions filed in the Clerk office, on behalf of Group #3, Sheriff and Library.

As you know, Section XIX of the Rules of the Bay County Employees' Retirement System allows the Board of Trustees to deem a candidate elected to the position when only one (1) candidate files, therefore, it will be necessary to consider such.

The vote of at least five (5) concurring members of the Board shall waive the actual election to the office for the above named candidates. Please advise me of your Board action taken in this regard and afford me a copy of your adopted Resolution which would elect Kristal Gonzales and Matthew Pett to the office of the Bay County Employees' Retirement System for Groups #2 and #3.

Sincerely,
White a humal

Cynthia A. Luczak Bay County Clerk

BY:	ADN	⁄ΙΝΙ	STR	ATI	ON (11/15/16)								
WHEREAS,	Emp	e filing deadline for employees wishing to serve as representative for the Bay County apployees' Retirement System Group #2 Bay Medical Care Facility Employees has used with only one (1) candidate filing for the open position.											
WHEREAS,					al K. Gonzales qualifie petitions issued by the					of si	gnati	ıres on	
WHEREAS,	Boa	action XIX of the Rules of the Bay County Employees' Retirement System allows the ard of Trustees to deem a candidate elected to the position when only one (1) candidate es, therefore it will be necessary to consider such.											
WHEREAS,		e vote of at least five (5) concurring members of the Board shall waive the actual election he office for Ms. Kristal K. Gonzales; Therefore Be It,											
RESOLVED	Gon	hat this Board vote to waive the actual election for Ms. Gonzales which would elect Ms. Sonzales to the office of the Trustee to the Bay County Employees' Retirement System Group #2.											
					STEVE GRA AND BC								
RESOLUTION MOVED BY TRU			ELI	ECT	TION FOR MS. GONZ/	ALES							
SUPPORTED BY	Y TRU	STE	E _										
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BY:	ADM	IIII	STR	ATI	ON (11/15/16)								
WHEREAS,	Emp	ne filing deadline for employees wishing to serve as representative for the Bay County mployees' Retirement System Group #3, Sheriff and Library, has lapsed with only one (1) andidate filing for the open position.											
WHEREAS,		andidate Matthew Pett qualified by obtaining the required number of signatures on e nominating petitions issued by the office of the County Clerk.											
WHEREAS,	Boai	ection XIX of the Rules of the Bay County Employees' Retirement System allows the loard of Trustees to deem a candidate elected to the position when only one (1) candidate les, therefore it will be necessary to consider such.											
WHEREAS,		ne vote of at least five (5) concurring members of the Board shall waive the actual election the office for Mr. Matthew Pett; Therefore Be It,											
RESOLVED	That this Board vote to waive the actual election for Mr. Pett which would elect Mr. Pett to the office of the Trustee to the Bay County Employees' Retirement System Group #3.												
					STEVE GRA AND BO	-							
RESOLUTION MOVED BY TRU					ION FOR MR. MATTH	łEW	PETT						
SUPPORTED BY	/ TRU	STE	E _										
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#### **MEMO**

Reference – Election Times for 12/13/2016

To: Steve Gray, Chairperson BCERS

Cc: Katie Meeth, BCERS Plan Administrator

From: Matthew Pett, Trustee BCERS

In regards to the times for the upcoming elections on 12/13/2016 for the Trustee representing Group #3 (Bay County Sheriff's Office / Library group), the notice of election states that the election will take place from 8:00 a.m. to 4:00 p.m.

The election rules authorize different election hours for locations that have multiple shifts. Section II (election scheduling) states that;

"The election shall be conducted between the hours of 8 a.m. and 4 p.m. except where there are multiple shifts, the Retirement Board may authorize different or extended election hours at all polling locations."

At the Bay County Sheriff's Office employees are working 24 hours a day 7 days per week. The vast majority of employees work 12 hours shifts; the Road Patrol works from 6 a.m. to 6 p.m. and 6 p.m. to 6 a.m., the Jail Division works from 7 a.m. to 7 p.m. and 7 p.m. to 7 a.m.

An election that is conducted on one day from 8 a.m. to 4 p.m. could cause hardship and difficulty for membership to vote.

I am requesting that Board approve the election to be open at the Sheriff's Office from 12 p.m. to 8 p.m. on 12/13/16 which would allow nearly half of the membership the opportunity to vote during their work hours. I do not see a conflict with the Library employees as all or most work Monday thru Friday with the majority of their working hours between 8 a.m. and 4 p.m.

Respectfu	lly S	Submi	tted,
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Matthew Pett

BY:	BAY	CC	UN	ΓY F	RETIREMENT BOAR	D (11/	15/16	5)					
WHEREAS,	Grou	ıp#	3 (B	ay C	es for the upcoming e County Sheriff's Office place from 8:00 a.m	/Libra	ry Gro	oup)					:he
WHEREAS,	Emp multi <i>betw</i>	loye ple eer em	ees' shif o the ent i	Retits.	es for employee repre rement System authon Section II (election sours of 8 a.m. and 4 p. ard may authorize differ	orize d chedul <i>m. exc</i>	iffere ing) s cept ห	nt el state /here	ection hours for loca s: "The election sh e there are multiple s	itions all be shifts,	that con the	have	e ·
WHEREAS,	The	vas	t ma	jorit	ty Sheriff's Office, em y of employees work to 6 a.m. The Jail D	12-hou	ır shif	ts; tl	ne Road Patrol work	s fron	n 6 a	.m. t	o 6
WHEREAS,					is conducted on one nbership to vote. Th				to 4 p.m. could caus	se ha	rdsh	ip ar	nd
RESOLVED	That this Board approve the election to be open at the Sheriff's Office from 12 p.m. to 8 p.m. on 12/13/16 which would allow nearly half of the membership the opportunity to vote during working hours. No conflict is seen with the Library employees as all or most work Monday through Friday with the majority of their working hours between 8 a.m. and 4 p.m.												
					STEVE GRAND B								
RESOLUTION -	CHAN	IGE	то	ELE(	CTION VOTING TIMES								
MOVED BY TRU	JSTEE												
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Richard Brzezir	nski				Steve Gray				Jon Morse				
Kim Coonan					Richard Gromaski				Matthew Pett				
Kristal Gonzale	S				Ernie Krygier				Thomas Starkweather				
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